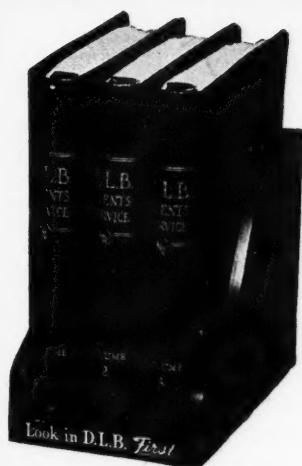
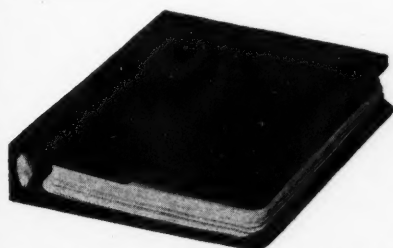


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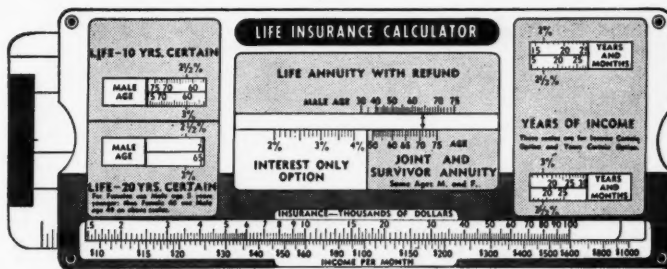
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The Diamond Life Bulletins

420 East Fourth Street, Cincinnati 2, Ohio

FRIDAY, SEPTEMBER 22, 1944

Again—

CONGRATULATIONS TO THE FIELD

INCORPORATED 1860
HOME LIFE INSURANCE COMPANY
256 BROADWAY, NEW YORK 8, N. Y.

August 21, 1944

WILLIAM P. WORTHINGTON
VICE PRESIDENT
AND SUPERINTENDENT OF AGENCIES

To the Field Underwriters:

The quality of a company's business is merely a reflection of the quality of its Field Organization — so we again have the privilege of congratulating Home Life's Field Underwriters on the splendid gains made in the following six important quality factors.

1. Average size of policy has increased to \$7,771 — HIGHEST IN OUR HISTORY AND FOR THE SEVENTH SUCCESSIVE YEAR THE HIGHEST IN AMERICAN LIFE INSURANCE.
2. New Business lapse ratio is 8.7%, THE LOWEST IN OUR HISTORY.
3. Business from "Preferred" occupations INCREASED TO 77%.
4. Sales of \$5,000 or over have INCREASED TO 65% of our total business.
5. Annual premium settlements increased to 57%.
6. Eight of ten cases have an "A" or "B" Quality Rating.

These new records you have made not only mean a gratifying increase in the earnings of the Field but give an outlook of even lower costs to policyholders in the future.

With the low interest rates on investments which prevail and are apt to continue, future dividends in life insurance are likely to come mainly from two dividend factors: (1) savings in mortality and (2) savings in overhead costs.

Since business of good quality with a high average policy has a very favorable influence on these two factors the preponderance of quality business now being transacted by your company makes the outlook on net cost of insurance in the future most favorable for Home Life policyholders.

Again, we congratulate you on the important part you have played in making the broad company program of "Balanced Management" one of the most successful in the Field today.

Very truly yours,

W. P. Worthington
Vice President and
Superintendent of Agencies

HOME LIFE INSURANCE COMPANY

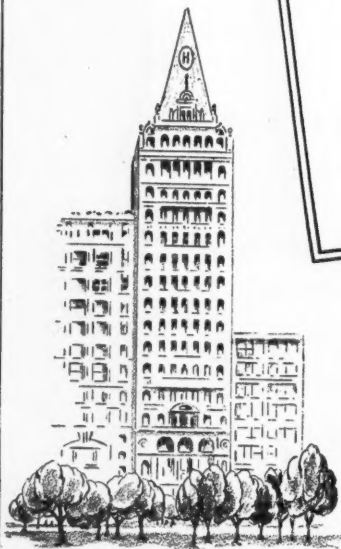
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President



Senate Committee O K's Bailey Bill by Vote of 11 to 6

Rejects Plea to Wait for Commissioners' Report— Await Senate Action

WASHINGTON—Judiciary committee reports on the state's right bill were submitted to the Senate Wednesday by McCarran for the majority and O'Mahoney for the minority. The majority report followed generally along lines of the House committee report on the Walter bill.

WASHINGTON—The Bailey states rights insurance bill was favorably recommended by the Senate judiciary committee Monday by a vote of 11 to 6. The bill was ordered reported without amendment and Chairman McCarran indicated the report would be submitted to the Senate within a day or two.

At the same time, McCarran said that the bill should not be considered in the Senate until after the Congressional recess soon to begin, because it would require unanimous consent to get it up on the floor and that he did not expect it can be taken up in the Senate before Nov. 15. McCarran goes to Nevada Saturday.

Passage of the bill, in view of the committee action, seems to Washington observers not unlikely, although its final enactment into law seems doubtful.

Political development No. 1 could be, it is believed, a veto of the bill by President Roosevelt, if he is reelected, in case it is passed after the election. A second development, it is believed, may be that if Dewey is elected, the bill would not be pressed because Dewey and Republican leaders would presumably prefer a program of their own. In that case, action would probably be delayed until after the new administration and congress comes in next January, it is believed.

Danaher Makes Motion

The judiciary committee action was taken on motion of Senator Danaher, Connecticut. Those voting for it were Senators McCarran, Connally, Chandler, Danaher, Wiley, Andrews, Eastland, Ferguson, Revercomb, Wherry, and Bushfield.

The negative votes were cast by Senators Hatch, O'Mahoney, Kilgore, Mudd, Wheeler, Langer.

The vote of Senator McFarland remained to be polled.

O'Mahoney had previously moved to defer action until the insurance commissioners have been heard from, and particularly until after their meeting in Chicago Sept. 29-30. This proposal was, in effect, supported by a letter from Commissioner Harrington of Massachusetts, chairman of the joint committee of commissioners and industry representatives that is charged with advancing the proposals included in the report of the Graves committee in federal legislation, and a telegram from Philip Baldwin, secretary National Association of Mutual Insurance Agents.

Harrington's letter set forth the commissioners' point of view. It told of their efforts in studying the insurance situation and to arrive at an agreement which, it was indicated, was substantially embodied in the four recommendations.

(CONTINUED ON PAGE 15)

Three More Pension Service Bulletins Are Promulgated

WASHINGTON—Employer contributions to provide death benefits under a pension plan are subject to the general conditions indicated in commissioner's mimeograph 5717 only to the extent of contributions for the cost of benefits payable on behalf of an employee who dies after the retirement income has commenced, the internal revenue bureau has ruled in PS No. 29.

Benefits provided by employer contributions and payable on behalf of an employee who dies while a pension plan is in full effect are not limited by the general conditions indicated in that mimeograph.

PS No. 30 holds that a pension plan which provides for retirement benefits commencing at age 60 will not meet the social security integration requirements unless the value of such benefits is no greater than that of retirement benefits commencing at age 65 under an integrated plan.

Under PS 31 it is held that additions to funds that were used to provide benefits for a participant under a pension plan in excess of the limitation provided by mimeograph 5717 are to be restricted until the proper limitation is reached.

Following are the above rulings in essential parts:

PS 29: Advice is requested as to the proper treatment of employer contributions to provide death benefits and as to the proper treatment of the benefits actually payable upon the death of an employee under a pension plan where the employer contributions for the benefit of the most highly compensated employees are subject to the conditions indicated in commissioner's mimeograph 5717, 1944—L.R.B. No. 14, page 17.

Employer contributions to provide benefits payable on behalf of an employee who dies prior to commencement of the retirement income may be excluded from the employer contributions subject to the conditions indicated in paragraph 3 of mimeograph 5717.

Cost of Benefits

The cost of benefits payable on behalf of an employee who dies after commencement of the retirement income is included within the meaning of the term "benefits" in this mimeograph. Accordingly, the employer contributions with respect to a living employee to cover the cost of such death benefits are to be included in the employer contributions subject to the conditions indicated in paragraph 3 of mimeograph 5717. If the employee dies when the plan is in effect and its full current costs have been met, the death benefits actually payable on his behalf need not be subject to any restrictions. If, however, the employee dies after the retirement income has commenced and after the plan has been terminated or when its full current costs have not been met, the death benefits payable on his behalf must be limited to such an amount that the cost thereof while he is alive, together with the cost of related retirement income benefits provided by employer contributions, meets the limits indicated.

Specific Example Cited

Advice is also requested to the effect such treatment in a specific example, which provides that employees do not contribute and that all benefits are to be insured by purchase of level annual premium retirement income endowment or annuity policies maturing at age 65. It further provides that retirement incomes are to commence at age 65 and that the normal form of retirement income for each employee is to be a level monthly annuity payable during the life of the employee and, if he dies before 120 payments have been made, payable thereafter to his beneficiary until 120 payments in all have been made. The highest paid employee under the plan, A, is age 59 at the beginning of the plan, and it is assumed that his regular annual compensation is \$40,000. From age 59 to age 65, the amount of his normal retirement income beginning at age 65 is \$600 monthly, and the level annual premium necessary to provide this income (including the accompanying 120 months certain death benefit) is \$16,000.

Under the generally acceptable limits indicated in mimeograph 5717, after the full current costs of the plan have been met for six full years, employer contributions of \$48,000 may be used to provide unrestricted benefits for A. This amount

is sufficient to provide a \$300 monthly life income with 120 payments certain and, if the plan is then terminated, this would be the limit of the amount of normal benefit which may be provided for A. Thus, if the plan is so terminated and A is provided with this benefit, and if he dies before receiving 120 payments, monthly payments of \$300 would be payable to his beneficiary for the balance of the certain period. On the other hand, if the plan is continued and its full current costs are met for another year, the full retirement income of \$600 could be paid to A every month in which he is living during the seventh year of the plan and if he dies in that year, the full \$600 monthly may be continued to his beneficiary for the remainder of the 120 months certain period.

Options for Life Income

In this example the plan also provides that at age 65, in lieu of the full normal benefit of \$600, A may elect, in accordance with option II of the policies, a monthly life income of \$660 without any death benefit or, in accordance with option III of the policies a monthly income of \$400 payable to him or his wife as long as either is living. These optional incomes are likewise provided by level annual premiums of \$16,000.

TERMINATION

If the full current costs of the plan are met for six years and the plan is then terminated, in lieu of a \$300 monthly benefit of the normal form, A may be provided with a \$330 monthly income without any death benefit or a \$200 monthly income payable as long as either he or his wife is living. On the other hand, if the plan is continued and its full current costs are met for another year, for each month in the seventh year while A is alive he could be paid \$660 if option II is elected or \$400 if option III is elected and in the latter event, if he dies in that year, the \$400 monthly benefit may be paid to his widow as long as she survives.

If Plan Is Terminated

If the plan is terminated at the end of seven years and its full costs have been met up to that time and A is then alive, he may be provided with benefits as follows:

(1) If he elected the normal form of benefits, a monthly income of \$350 payable thereafter as long as he lives, but for at least 108 months; (2) in addition to the monthly income of \$600 he has received during the preceding year, or (3) if he elected option II, a monthly income of \$385 payable thereafter as long as he lives, in addition to the monthly income of \$660 he has received during the preceding year, or (4) if he elected option III, a monthly income of \$233.33 payable thereafter as long as he or his wife survives, in addition to the monthly income of \$400 he has received during the preceding year.

The figures in this example would also meet the generally acceptable limits of mimeograph 5717 if the plan also provided that, in event of an employee's death before age 65, the insurance cash value or reserve under the policies would be payable to the employee's beneficiary and some annual employer contributions in addition to \$16,000 are used to provide these death benefits for A prior to age 65. In this case if A died prior to age 65, and when the full current costs of the plan have been met, there would be no restriction upon the payment of death benefits.

Integration Requirements

PS 30: Advice is requested whether a pension plan meets integration requirements set forth in mimeograph 5539, 1943—C. B. 499, if it provides that retirement benefits commence at age 60 and are to be equal to the sum of 1% of compensation times the number of years of credited service between age 30 and age 60 on annual compensation up to \$3,000, and 2% of compensation in excess of \$3,000 for each year of such service.

Differential Is Provided

It is observed that the plan provides for a differential of 1% for each year of service applicable to annual compensation in excess of \$3,000, with retirement at age 60. Section 29.165-3 and section 29.165-4 of Regulations 111 provide that a plan in which benefits based on that part of an employee's remuneration which is excluded from wages under the social security act differs from contributions or benefits based on the employee's remuneration not so excluded may be found to be discriminatory, unless such differential

(CONTINUED ON PAGE 9)

Omaha Wins N.A.L.U. Midyear Parley for 1945

Trustees at Detroit Make Selection—Schriver Stars at Fellowship Rally

Trustees of the National Association of Life Underwriters at their meeting in Detroit following the close of the annual convention selected Omaha as the place for the 1945 mid-year meeting. Usually that gathering is held the latter part of March, running from Thursday through Saturday. The Omaha invitation was presented to the trustees by Lee Wandling, Equitable Society, assisted by the presidents of the Nebraska state and Omaha associations.

The other principal invitation was from Roanoke.

No decision was made as to the place of the 1945 annual convention.

Fellowship Luncheon

Tickets to the "fellowship hour" session of the N. A. L. U. convention Friday were scarcer even than cigarettes and many hundreds were turned away without a chance to participate in this final function of the wartime conference. Very neat diplomacy was required on the part of the hard working and hospitable Detroit group in keeping out the large number who unfortunately had to miss this traditionally pleasant gathering where the new officers, trustees, past presidents and convention committee chairmen are all formally presented.

Just before the presentations got underway, Manuel Camps, Jr., John Hancock, New York, the one trustee candidate in the national council balloting that failed of election, asked for the floor to announce his wish that the election of the nine trustees be recorded as unanimous and to state that he was always ready and glad to do anything for the association that was desired of him.

Grant Taggart, California-Western States Life, Cowley, Wyo., past national president, who presided, declared he felt the Detroit meeting would go down as a milestone in association history, in introducing George E. Lackey, Massachusetts Mutual, who presented all the Detroit group. An especially big hand was given for the some 200 Canadians attending, when John J. Gormley, Metropolitan Life, Toronto, president Life Underwriters Association of Canada, was introduced.

Presentation to Hedges

A silver cigarette box on which were inscribed the signatures of all the officers and trustees who had worked with Herbert A. Hedges, the outgoing president, was presented to him by Mr. Taggart, who referred to him as the "expiring" president. In responding, Mr. Hedges gave all credit to the "patience and understanding of Mrs. Hedges." W. H. Andrews, Jr., the new president, was then immediately presented by Mr. Hedges and he responded instantly by giving "all credit to Mrs. Andrews."

Lester O. Schriver, Aetna Life, Peoria, closed the session convention with a highly amusing and stirring address entitled "Leadership for Tomorrow." Three things, a sense of humor, an ever-expanding mind and realism, he declared, are essential to intelligent leadership.

(CONTINUED ON PAGE 8)

Full Court or Suspend Decision, 38 States Ask

N. Y. Files Separately: 39 Attorneys-General Ask SEUA Rehearing

WASHINGTON—Thirty-nine states have petitioned the United States Supreme Court to grant a rehearing of the Southeastern Underwriters Association case. Thirty-eight attorneys-general signed a joint petition, while Attorney-general Goldstein of New York filed a separate petition.

The 38 states which joined in a single petition are: Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia and Wisconsin.

While the joint petition is a lucid and cogent argument for granting a rehearing, the fact that in a presidential election year 38 states could get together on so strongly worded a plea is of greater significance than any of the arguments in the petition itself. It is believed to be the first time that the states have been so aroused about any Supreme Court decision since *Chisholm v. Georgia* (2 Dall. 419) handed down in 1793 which said that a state may be sued in the Supreme Court by an individual citizen of another state. That decision quickly led to the adoption of the eleventh amendment to the constitution.

Like the S.E.U.A. petition for rehearing, the joint petition cites the District of Columbia fire insurance rating law as indicating the intent of Congress as to the applicability of the Sherman act to the insurance business.

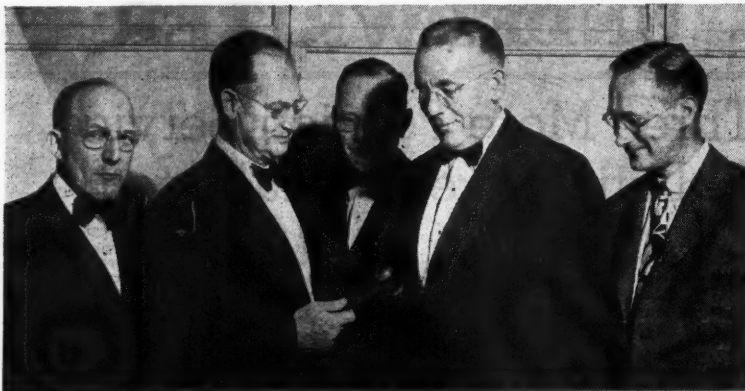
"Surely it is a remarkable situation that Congress intended the Sherman act to apply to the business of fire insurance in the 48 states but did not intend it to apply in the field where Congress has exclusive legislative power—the District of Columbia," the attorneys-general petition observes.

ASK TO APPEAR

The petition bears down strongly on the disqualification of the two justices, saying that though the disqualifications may have seemed proper when viewed from the standpoint of the litigants' interests only, when viewed in the light of the importance of the decision to the states it becomes a different matter. "Certainly, in view of the effect upon the states of the important constitutional question presented, all the justices of the court should be qualified to participate in the decision," the petition urges.

"Request is therefore made," the petition continues, "that the question of disqualification be reconsidered solely from the standpoint of the interest of the states. Petitioners respectfully suggest that where the interest of the 48 states is concerned there should be no disqualification unless it relates to the interest of the states."

"If the disqualifications remain in
(CONTINUED ON PAGE 6)



M. Luther Buchanan, Boston, retiring president American Society of Chartered Life Underwriters, received an inscribed gavel at the annual dinner in Detroit in recognition of his outstanding services. Left to right, Edward A. Krueger, State Life of Indiana, treasurer; James Elton Bragg, Guardian Life, New York, the new president; Dr. David McCahan, dean of the American College, secretary; Mr. Buchanan and Clifford H. Orr, National Life of Vermont, Philadelphia, vice president.

War Deaths Less Than 1% of Total In Service: Myrick

SYRACUSE, N. Y.—The number of men killed in the United States armed forces since Pearl Harbor to Aug. 21, 1944, constitutes only a little less than 1% of the estimated 11,000,000 in military service, and this record is a tribute to the planning of the War Department, Julian S. Myrick, second vice-president of Mutual Life, said in speaking at a dinner in honor of Harry G. Remington, recently appointed manager here, which was attended by managers and general agents of other life companies in the city. Mr. Myrick said the number of men killed was 82,325, while war death claims paid by the nation's life insurance companies approximate 76,000, or 92% of the number reported killed.

Beneficiaries received \$94,200,000 on these 76,000 war death claims paid by private companies, which, Mr. Myrick commented, accounted for only 4.9% of the total of \$614,000,000 death benefit payments made by the companies since Pearl Harbor.

Attitude Toward NSLI

Mr. Myrick said the attitude of life companies on National Service Life Insurance is that the men in service should keep their government insurance in force—even when they return home. Many companies already have instructed their field men to help returning service men with their insurance problems and to advise the veterans of the value of keeping their government insurance in force.

He said the premium rates on government insurance are somewhat less than those of private insurance companies, because the taxpayers of the country absorb a large share of the costs. Thus, he added, it is to the interest of veterans that they keep their government life insurance in force.

Mr. Myrick was accompanied by Harry B. Cadwell, superintendent of agencies, as home office representative to install Mr. Remington as manager in Syracuse.

Defer Agricultural Life Parley

The meeting scheduled for Detroit to consider reorganization plans for Agricultural Life, in conservatorship since 1938, has been postponed to Oct. 25. The attorney general recently ruled that the company's capital could not be reduced unless an entirely new corporation were formed to take over assets of the old carrier. A recent audit showed assets exceed policyholder reserve requirements, with approximately \$15,000 equity to stockholders.

Cal.-Western Has Plan for Returning Service Personnel

California-Western States Life has announced a plan for returning service people, applicable to returning agents and home office employees, to service people not formerly with the company, and to those who are home on furlough.

For returning agents a training plan has been designed with sufficient elasticity that it can be adapted to fit the individual's needs. It is a complete study of insurance selling; the history and functions of the company and its policies, and is so organized that it can serve simply as a refresher course or as a complete study. At the start, it can be determined quickly the portions with which the agent needs to be refamiliarized. It can be handled by the manager of the agency, but each step is supervised by home office agency executives. The plan has already been tested successfully.

Home Office Employment

It is the plan of the company not only to place former employees at the home office, but to retain competent workers who have been hired since the war began. Each department head is making a concentrated study to provide better jobs for those who return, since service will have given them experience and maturity.

Aptitude and vocational interest tests will be given individuals not previously with the company, and the tests are available to all service people who wish to take them, whether interested in insurance or not. Each vocational interest test will be sent to Stanford University for scoring and the fees paid by the company.

Service personnel home on furlough are urged to visit with home office executives to discuss future plans. Servicemen then know that their interests are foremost in the company's program.

Pacific Mutual Writing Group

Pacific Mutual Life has entered the group insurance field. It previously had taken on some group insurance in association with other companies. Late last year it began writing the line in California only and its annual report showed that in excess of \$600,000 had been written.

Williams Confers at Kansas City

John P. Williams of the American College met with the Kansas City C. L. U. and its fall study group. J. M. Belwood, Connecticut General, received

August Sales Total Up 9.9%, Ordinary Gains 11 to 12%

August life sales showed a 9.9% gain, bringing the total gain for the year up to 8.1%, according to the Life Association of America. Ordinary sales were up 11.2% in August, totaling \$521,010,000, while the eight month total is \$4,291,209,000, a 15.4% gain. Group increased 24.2% in August with a \$110,715,000 total, sales for the year totaling \$920,752,000, a 4% decline. Industrial showed a 5.6% decline in August with \$115,490,000 while sales for the first eight months are off 6.5%, totaling \$1,013,740,000. Total sales amounted to \$747,215,000 in August and \$6,225,701,000 for the year to date.

RESEARCH BUREAU REPORTS

Ordinary sales totaled \$701,705,000 in August, a 12% gain, according to the Sales Research Bureau. Sales for the first eight months totaled \$5,634,845,000, a 16% gain. In the states writing over \$25,000,000 a month, California showed a 20% gain in August with \$57,135,000, its eighth month total being \$455,102,000, a 31% gain. Illinois was up 20% for August and 13% for the year, with \$52,076,000 and \$407,196,000 in sales. Sales in Michigan gained 6% in August with a \$27,437,000 total compared to a 10% increase and a \$221,896,000 total for the year. New Jersey's August total was \$26,691,000, a 13% gain, while its eight month volume was \$240,898,000, a 21% gain. New York's sales increased \$816,741,000. Sales in Ohio were up 17% in August with a \$42,446,000 volume, while a 13% gain was made in the first eight months, the total being \$321,833,000. Pennsylvania's sales of \$50,778,000 in August were the same as a year ago, the total for the year being \$427,457,000, a 9% gain. With \$30,892,000 in August, Texas gained 23%, having an 11% increase for the year and a \$228,408,000 total.

Boston and Los Angeles lead the large cities in ordinary sales gains, the first figure showing the August result, the second that for the first eight months: Boston 28, 22%; Chicago, 9, 8; Cleveland 11, 9; Detroit some, 3; Los Angeles 25, 25; New York 19 and 29; Philadelphia 2, 4; and St. Louis 23, 14.

Mass. Mutual Will Have Home Office Review School

Massachusetts Mutual Life's ninth home office review school will be conducted the week of Oct. 16. H. H. Irwin, educational director, will be in general charge and various officers will discuss subjects related directly to field sales activities.

Agents will have a conducted tour through all home office departments, affording an opportunity to observe the many phases of activity in serving agents and policyholders, from receipt of the application all of the way through to the settlement of the claim.

The privilege to attend the school is earned by eligible people who qualify through early sales performance and the completion of the basic training course, "Massachusetts Mutual Selling."

Eckey with Conn. General Life

Connecticut General Life has appointed Harold B. Eckey as district supervisor in charge of sales for Iowa and Nebraska with headquarters in Des Moines. He has been in insurance work in Des Moines for 13 years and formerly was with Interstate Business Men's Accident.

The C. L. U. designation. The study classes will start Sept. 27, covering commercial law, wills, trusts and estates, and taxation and business insurance.

Skeleton Program Given for A.L.C. Annual Meeting

Speakers Announced for Sessions in Chicago Oct. 3-5

The program committee of the American Life Convention headed by L. F. Lee, president Occidental Life of Raleigh, N. C., and Peninsular Life of Jacksonville, has made much progress in preparing for the annual meeting at the Edgewater Beach Hotel, Chicago, Oct. 3-5. The subjects to be discussed are:

Implications of the U. S. Supreme Court decision holding insurance to be commerce, cooperation with the insurance commissioners, war settlements, social security, joint activities, special reports from the Agency, Financial, Industrial and Legal Sections, aviation, valuation of assets, departmental supervision.

Association Speakers

The speakers from the membership of the organization are: L. D. Cavanaugh, president Federal Life; Berkeley Cox, associate counsel, Aetna Life; Robert Dechert, counsel Penn Mutual Life; Paul E. Fisher, treasurer Indianapolis Life; Ray E. Fuller, agency vice-president Equitable of Iowa; James E. Hoskins, assistant actuary Travelers; Valentine Howell, vice-president and actuary Prudential; F. W. Hubbell, president Equitable of Iowa; J. R. Leal, vice-president and secretary Interstate Life & Accident; Leroy A. Lincoln, president Metropolitan Life; M. Albert Linton, president Provident Mutual; Ray B. Lucas, general counsel Kansas City Life; A. J. McAndless, president Lincoln National; Powell B. McHaney, vice-president and general counsel General American Life; Frank P. Sanford, president Liberty National; George E. Walton, title attorney Metropolitan Life.

The guest speakers are: Newell R. Johnson, Minnesota commissioner and president National Association Insurance Commissioners; J. C. Revensky, vice-president Chase National Bank, New York City; B. K. Sandwell, managing editor "Saturday Night," Toronto; A. H. Williams, president Federal Reserve Bank of Philadelphia; Theodore O. Yntema, research director for the Committee for Economic Research.

U. of Ia. Business Head Joins Teachers I. & A.

Teachers Insurance & Annuity has elected William H. Cobb secretary. He will assist Rainard B. Robbins, vice-president, in promoting the service of the association to the colleges. Mr. Cobb has been business manager and secretary of the University of Iowa since 1930. He joined the business office of the university 22 years ago after graduating from the University of Illinois.

Alex Fasken, 72, president of Excelsior Life of Toronto, was killed in an auto accident while driving to his home in Port Credit. He also was senior partner of the law firm of Fasken, Robertson, Aitchison, Pickup & Calvin and an officer and director of many corporations. He was graduated from the University of Toronto and its law school, was called to the bar in 1894, and was created K.C. in 1921.

Union Gets Out Guide for Bargaining on Group Cover

NEW YORK—A 127-page guide to group insurance for its 700,000 members and the negotiating committees of its 400 locals has been published by the United Electrical, Radio & Machine Workers of America, C.I.O. The guide, which is intended to assist workers in obtaining comprehensive group life, accidental death and dismemberment, accident and sickness, hospital, and surgical insurance as a part of bargaining agreements, discusses basic reasons for group insurance, advantages to employers, why employers should pay premiums, types of group insurance, sick leave plans, protection after layoffs, eligibility, preparation of contract demands and analyzes company and Blue Cross contracts.

Pointing out that 1,000,000 men have been rejected by selective service for physical disabilities, it is evident that the people require better medical care and a group insurance program would help to provide such care, the booklet states. It urges that efforts be continued to make the Wagner-Murray-Dingell bill a reality and it can be made a reality through political action. How to take such action is described in another guide published by the union.

Rates Almost Identical

"Premium rates of all major companies are practically identical," it asserts. "The only question, therefore, to be determined in choice of an insurance company is the kind of service the company will give. Whenever possible, union brothers and sisters should be supported by using an insurance company operating under union contract."

"At present three major companies that are best organized by the United

First Sun Life Men Sign On as Employees



During the period of the Detroit convention of the National Association of Life Underwriters three representatives of Sun Life of Canada became the first to sign the new contract of that company under which they become employee agents and become entitled to social security benefits among other things, instead of occupying the independent contractor status. Sun Life has given all eligible agents until Jan. 1, 1945, to decide whether to retain their present status or to sign the new contract.

In the picture above the first sign-up is taking place. Seated are: Manfred Martin, Kalamazoo; Mel Boyce, Akron, and Earl La Nouette, Muskegon, Mich. Standing are J. A. McAllister, superintendent of agents for Canada; E. P. Higgins, director of sales promotion, and Seth C. H. Taylor, superintendent of agents for the United States.

Office & Professional Workers of America, C.I.O., are the Prudential, Metropolitan, and John Hancock. Locals desiring to deal with other companies in their area may communicate with the UOPWA—C.I.O. insurance division. (CONTINUED ON PAGE 9)

Millionaires Delve Deeply Into Employee Plans

Round Table Devotes Entire Day at Detroit to Big Field

Members of the Million Dollar Round Table at their meeting in Detroit were treated to a whole day of discussion of the various employee benefit plans that are in existence today—group insurance, salary deduction, "5% plans," uninsured plans, group annuities, individual contract plans, group permanent and pension, pension trust and profit sharing.

Spokesmen for these various plans elucidated their points succinctly and then Denis B. Maduro, New York attorney and favorite of the million dollar group, acting as devil's advocate, brought out every disadvantage to each plan from the employer's and employee's standpoint that he could conceive. This pointed out the discussion but so skillfully did he do his part that some of the members became very deflated and wondered whether any of the plans had any merit.

Outing at Gratiot Inn

The round table held its first gathering in the form of a luncheon and afternoon session Thursday, then they had a cocktail party as guests of the General Agents Association of Northwestern Mutual Life and a dinner as guests of Northwestern Mutual itself. On Friday they had morning and afternoon meetings and Friday evening about 100 journeyed to Gratiot Inn near Port Huron for a week end outing. They held a meeting Saturday morning to go into greater detail on some of the points that had been brought out at Detroit and the rest of the time was devoted to recreation and fellowship.

Registration of millionaires at Detroit totaled 217. A. J. Ostheimer, III, Northwestern Mutual, Philadelphia, the outgoing chairman, presided. At the Friday meeting a welcoming talk was given by Mayor Jeffries of Detroit, who incidentally is general counsel of Macabees. John J. Gormley, Metropolitan Life, Toronto, president Life Underwriters Association of Canada, was introduced.

Messages were sent to three members who are seriously ill; Thomas B. Reed, Great Southern Life, Oklahoma City; Harry I. Davis, Massachusetts Mutual, Atlanta, and A. E. Riley, New York Life, Kansas City.

John R. Mage Presides

John R. Mage, Northwestern Mutual, Los Angeles, presided in the morning at the meeting on employee benefit plans and Mr. Ostheimer was in charge in the afternoon.

John M. Pfeil, Equitable Society, Pittsburgh, led off with a discussion of group insurance. He sketched the scope of the group coverages. Mr. Pfeil has \$85 million group insurance in force on 40,000 lives. He pointed out that the total of group insurance is about \$24 billion and there are 31,000 employers providing such coverage. The average death claim is \$2,000. Last year \$160 million was paid to 80,000 workers under group cover. He pointed out there is widespread interest in the casualty coverages. Weekly indemnity is the oldest form. He said it is wise to limit weekly indemnity to 50% of the worker's compensation so as to prevent absenteeism. About 6½ million are insured for weekly indemnity benefits.

William Penn Sets Up a Trust

When Penn was ready to leave his new Province of Pennsylvania to journey back to England, he prudently appointed three commissioners to act as guardians in the event of his death or other casualty:—

"William Penn, Proprietary and Governor of ye Province of Pennsylvania & ye Territories thereunto belonging. To my trusty and loving friends, Tho. Lloyd, James Harrison & John Simcock. Not knowing how it may please Almighty God to deal with me in this voyage & considering of how great moment it is that the administration of ye government be carefully provided for in case of my decease . . . know ye that out of ye singular regard I have to ye wisdom, justice & fidelity . . . I have nominated, constituted and appointed . . .

"Strictly charging all persons that they yield you the same obedience in ye discharge of your trust as if I myself were living or ye minor were of age, charging you also before God, angels and men, that directly or indirectly you act nothing to ye injury of his right or detriment of ye people, but that with wisdom you preserve ye union of their interests to ye mutual joy and benefit . . ."

1644-1944 WILLIAM PENN TERCENTENARY

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Last year \$80 million was paid out.

Hospitalization coverage is provided under Blue Cross plans for about 15 million, the private companies under group cover insure about four million workers and 2½ million dependents.

Message of Harry Wright

Harry T. Wright, Equitable Society, Chicago, speaking on salary deduction said that this system costs the employer nothing and so the agent is in a good position to insist that the employer set up a payroll deduction plan. The average employee does not save enough and the payroll deduction plan is likely to get him on the right road. It enables the employee to do something for himself without government compulsion. It gives the employee the counsel of a good life insurance man and enables him to buy insurance on a systematic basis instead of hit or miss.

The agent should have a private office at the company where the payroll deduction plan is being established in which to conduct interviews with the employees.

Now is the time to establish salary deduction cases, Mr. Wright observed, because when war bond sales are discontinued or slowed down there will be a great deal of surplus money for staff insurance.

20 Minute Interviews

Mr. Wright told about the technique that he had used in putting into effect a large salary deduction plan recently. His interviews with the employees averaged about 20 minutes. He got date of birth, name of wife, children, amount of insurance owned, whether the employee had ever had trouble negotiating insurance. He asked the employee how much he could safely set aside each month and if the employee was inclined to over estimate what he could do Mr. Wright got him to reduce the amount. He undertook to get as much of the insurance on one contract as possible and 80% of the policies were on an optional retirement contract at 60 or 65. Seventy percent of the employees were closed on the first interview. Preliminary term insurance up to the deduction date was provided and the employee was billed for this amount. A digest was prepared for each employee showing what he had and he was supplied with a wallet.

Mr. Maduro analyzed the so-called 5% provision whereunder an employer may purchase for his employees insurance costing up to 5% of the employee's compensation without violating the wage stabilization orders. Such a plan appeals to certain employers that want to do something temporarily for certain employees and want to be certain that there is no penalty attaching should they desire to discontinue doing so at some later date. It also appeals to some employers that do not have enough employees to qualify for group cover and also where there is a group life plan for maximum limits and the employer desires to supplement that protection.

Mr. Maduro concluded that a pension plan can be installed in nearly every case where a 5% plan can be sold.

Louis Behr Tells Experiences

Louis Behr, Equitable Society, Chicago, who has developed a sizable organization to handle employee plans, told something of his experiences. He told of the expense that was involved and the careful planning that was necessary. He emphasized that this business can't be handled on a catch as catch can basis. He cautioned against entering the field unless an agent is certain of his own ability to maintain the service that is required.

Mr. Maduro, in his capacity as devil's advocate, gave a talk "Comparing Disadvantages of Pension Plans and Profit Sharing Plans," and in so doing caused the millionaires to sharpen their arguments in favor of such plans.

Edmond B. Gardner, second vice-president Chase National Bank, New York, read a paper, "Trust Fund Financing" and Mr. Maduro followed with

Top '43 by 60%



ROBERT MERRIMAN

The president's anniversary campaign of Scranton Life, honoring Robert Merriman, produced new paid business for the contest period exceeding that of last year by 60%. For the year to date new business exceeds that of last year by 25%. Insurance in force shows an increase over the 1943 year end total of about 3% and the gain in insurance in force for 8½ months exceeds that recorded for 12 full months of 1943.

a talk bringing out the disadvantages of the uninsured plan. Morgan H. Alvord, Connecticut General, with the aid of charts spoke on group annuities, pointing out among other things that under a group annuity there is only one contract, the need for a trust agreement is eliminated, income is precisely related to earnings. Mr. Maduro again acted as the dissenter, his principal point being that a group annuity has the disadvantage from the employee's standpoint that there is no severance benefit provided beyond the employee's own contributions with interest.

At the afternoon session L. M. Hupeler, assistant director of agencies Massachusetts Mutual Life, talked on individual contract plans; D. N. Warters, vice-president Bankers Life of Iowa, on group permanent and pension plans. Mr. Gardner was heard again and there were several brief talks by Mr. Maduro.

Liberty Life to Increase Capital to \$750,000

Stockholders of Liberty Life of Greenville, S. C., have approved a 50% stock dividend, which will increase shares by 25,000 and capital from \$500,000 to \$750,000. The dividend was declared as of Oct. 15. The company last Dec. 31 had surplus of more than \$1,100,000.

Charles H. Wilson, agent of Western & Southern Life in the Huntington, W. Va., district died after an illness of several months. He went with the company in 1924 and was an agent and later associate manager at Galipolis, O., and Fairmont and Clarksburg, W. Va. Stanley B. Stefanski, formerly agent in the Chicago-Irving Park district, was killed in action in France during the Normandy campaign. He went with Western & Southern in 1941 and entered the army last year.

Insurance Superintendent R. F. Apodaca of New Mexico was in Chicago for the American Legion convention. He also met some of the company officials and attended conferences. He was a special guest of John Boyle, Chicago general agent of Minnesota Mutual Life, who formerly conducted the New Mexico state agency.

Indiana Life Men Help Set Record in WAC Recruiting

In August the Indianapolis recruiting district went up from 21st to 7th place in WAC recruiting, mainly due to the effort of life insurance men in training recruiters in the fundamentals of prospecting and interviewing. Oren Pritchard, Union Central Life manager, and Eber Spence, co-general agent Provident Mutual, conducted a sales clinic for recruiters, Mr. Pritchard handling prospecting and Mr. Spence the approach, interview and close.

To supplement the clinic training life men were named in each city in Indiana where a WAC recruiting office is located to continue the educational work. They spent from three to five hours a week reviewing and polishing up recruiting procedure. As a result WAC enlistments jumped from 47 to 138 in August in the area.

These local training assistants are: Bloomington, John J. Mahan, Northwestern Mutual; Evansville, Robert

Hill, Northwestern Mutual; Fort Wayne, Kenneth Robinson, Mutual Life of New York; Gary, Delbert H. Thornburg, Equitable Society; Lafayette, William Fleming, Lafayette Life; Muncie, Paul Isenbarger, Northwestern Mutual; Richmond, Albert Krouse, Bankers Life, Ia.; South Bend, Horace Wells, Union Central Life; Terre Haute, Larry C. Kigin, New York Life, and Wabash, Parker T. Spinney.

In addition to organizing the sales clinic, Mr. Pritchard, as state director of sales training, has kept in continuous touch with local recruiting offices by visiting them regularly.

Maj. Mills Sold on Idea

Maj. Lawrence W. Mills, who heads the recruiting activities in Indiana, served for two years under Lt. Col. Jack Johns, formerly associated with Reliance Life and now national director of WAC recruiting. "I was, therefore, sold on the idea that men in the life insurance profession would be of great assistance in the WAC recruiting program," Major Mills explained. "I, for one, believe that of all civilian organizations, life insurance men have done more than any other civilian organization or profession, to assist in our war effort."

As WE See It!

Business is often a complex thing . . yours and ours alike. But way down deep we like to think we still value the time-worn things.

And one of the things we value most is plain, old-fashioned loyalty. For to us, it seems, you get what you give . . that the fibres run both up and down.

Our Home Office and Field are bound by that link which Kipling so aptly once phrased:

"For the one will do what the other requires
As soon as the need is shown;
And hand in hand they can make a stand
Which neither could make alone!"

For 97 years we're happy to say that's been Union Mutual custom!



UNION MUTUAL
LIFE INSURANCE COMPANY

Portland **MAINE** Home Office

Rolland E. Irish, President

LIFE ACCIDENT HEALTH GROUP

Metropolitan Lays Plans to Build Residential Project in Harlem

Metropolitan Life announced plans to build a park-like residential community on a 12-acre tract in Harlem close to the East river in New York City, to be known as Riverton and house about 1,200 families and 3,400 persons. Construction will begin after the war and will provide many jobs. The project will be constructed pursuant to the new redevelopment companies law and was initiated by and has been developed with active cooperation of Mayor La Guardia and Park Commissioner Moses of New York City.

A suburban atmosphere is planned, similar to that to be created in Stuyvesant Town which Metropolitan will build downtown after the war under the same law. There will be large landscaped sections, with lawns, gardens, trees, paths and play sections for children. The land required by the city for the new Harlem river drive which will extend facilities of the East river drive is to be sold to the municipality at cost by Metropolitan.

The project is keyed to rehabilitation and the providing of better living conditions.

"Riverton and Stuyvesant Town," F. H. Ecker, chairman of Metropolitan, stated, "represent the first use of private capital for the rebuilding of obsolete city areas under the redevelopment companies law which has been described by the court of appeals as 'an effort by the legislature to promote co-operation between municipal government and private capital to the end that substandard, insanitary areas in our urban communities may be rehabilitated.'"

Sharpe Assistant General Manager of Northern, Can.

H. L. Sharpe, formerly actuary, has been appointed assistant general manager and actuary of Northern Life of Canada. Mr. Sharpe is a graduate of the University of Toronto and is a fellow of the Actuarial Society of America and American Institute of Actuaries.

Bakes with Western Life

Warren H. Bakes, who served as Idaho insurance commissioner from 1930-1939, has been appointed general agent of Western Life for southwestern Idaho and southeastern Oregon with headquarters at Boise. He will be associated as co-general agent with O. A. Kelly operating as the Kelly-Bakes agency.

Dallas Managers Start Season

DALLAS—The Life Insurance Managers Club of Dallas had its first fall luncheon Monday. President Lem Swinney, Pacific Mutual Life, presided and the program was announced by Ingram Lee, Union Central Life, the topic being advanced training for the established agent. Max Spangler, Kansas City Life, president of the Dallas association, James Edgecomb, John Hancock; Barney Shields, Great National Life, and Harry Roberts, Southwestern Life, discussed the subject following which Lloyd Klingman, Equitable Society, announced the plans for an advanced course of study for members.

Myer Agency Change

James McCaughey has been appointed cashier of the R. E. Myer agency of Mutual Life in New York City, succeeding G. W. Murray. Mr. McCaughey started as a clerk in the Detroit agency of Mutual Life in 1920, transferred to Des Moines in 1927 as assistant cashier, became agency cashier and in 1939 went to the home office as assistant to the manager of the policyholders' service bureau. He was appointed assistant superintendent in 1943.

Mr. Murray retires after 45 years of service. He started as a clerk in the

Baltimore agency in 1899. He was office manager at Boston and Syracuse, then office manager and cashier of the Ives & Myrick agency, predecessor of Myer agency.

Taylor Agency Conference

The Dean H. Taylor agency of Equitable Society in Buffalo held a three-day educational conference at the Shorewood Country Club, Dunkirk, N. Y.

At the educational sessions presided over by R. A. Scott, agency supervisor, speakers included District Manager Paul Snodgrass, Olean, N. Y.; District Manager J. A. Lewis, Niagara Falls; Assistant Manager E. S. Murphy, Buffalo; H. R. Riter, Anthony P. Soluri, Fred E. Thomas and Peter G. Mode.

A. M. Sloan of New York represented the home office and A. B. Shepard, Jr., of Albany, assistant divisional group manager, represented the group department.

N. Y. C. August Sales \$51,700,000

Sales of ordinary life insurance in New York City for August as estimated by the Sales Research Bureau and released by the New York City Life Underwriters Association were \$51,700,000 as against \$44,001,000 for the same period last year.

Mich. Local Association Schools Set for Next Week

Schools of instruction conducted by the Michigan Life Underwriters Association for officers of local associations will be held at Kalamazoo Sept. 27, Flint Sept. 28, and Lansing Sept. 29.

Harold Brogan, Ohio National Life, Lansing, state association secretary-treasurer, and E. P. Balkema, Northwestern National Life, Detroit, will be in charge of all three schools. They have served as instructors at previous schools, which proved eminently successful. An average attendance of about 25 is expected at each of the sessions.

H. Loree Harvey, Equitable of Iowa, Kalamazoo, past president state association is in charge there. Charles T. Milner, Great-West Life, also a past state president, heads the Flint committee and Mr. Brogan is in charge at Lansing.

Vice-president F. N. Dull of Continental Casualty in New York City gave a luncheon in honor of H. G. Brown, newly elected vice-president of Continental Assurance of Chicago, which has entered New York. Thirty department heads in the metropolitan office were present. Norman J. Hoag, vice-president

Formally Open B. M. A. Minneapolis Branch

The new Minneapolis branch office of Business Men's Assurance in the North-



A. H. Nelson

western National Bank building, under Manager A. Herbert Nelson, was formally opened with President W. T. Grant attending from the home office. A representative group of Minnesota residents attended a luncheon in

honor of the new appointment, including justices of the supreme court, presidents of local insurance companies and other prominent corporations in Minneapolis, attesting the high regard in which Mr. Nelson is held by business and professional men of the community.

from the home office represented that organization.

These Market Areas OPEN FOR GENERAL AGENCY DEVELOPMENT

If you are now living in or near any one of the above cities and are ambitious for a General Agency opportunity in your home territory (which your present company is un-

WATCH THIS SPACE

WACO, TEXAS
WICHITA FALLS, TEX.
EAU CLAIRE, WISC.
CONCORD, N. H.
DAVENPORT, IOWA
MANSFIELD, OHIO
PORTSMOUTH, OHIO
MUSKOGEE, OKLAHOMA

able to give you), write for details of the Lincoln National Life's plan. An outline of the opportunity open to you will be sent in confidence without obligation.

THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne

Indiana

Geared To Help Its Fieldmen



Full Court or Suspend Decision

(CONTINUED FROM PAGE 2)

effect then it is requested that the previous policy of the court be followed, that is that the final decision of the case be withheld until it can be determined by a decision in which a majority of the whole court concurs."

The petition declares that the interest of the states in the decision is so vital that a rehearing should be granted and petitioners should be permitted to present their views not only by written briefs but by oral arguments before the court as well.

The problem presented by the court's decision is giving the administrative officers of the states the greatest possible concern and they are most anxious that the matter be reconsidered, the petition points out, adding that the insurance commissioners at their convention adopted a resolution calling on the attorneys-general of the several states to apply to the Supreme Court for a reconsideration.

The New York petition is very brief. It asks a rehearing for the following reasons:

"This court's decision that insurance is commerce creates problems without foreseeable limit concerning the effect of federal statutes and concerning the extent to which state regulations are now permissible. We believe that the overturning of the former long estab-

lished and certain basis for full state jurisdiction should be given further consideration by the court. The determination of such a question by less than a majority of the whole court also represents a departure from the salutary practice of the court in previous cases where constitutional questions were involved."

The petition concludes by asking that a rehearing be granted and that the state of New York be given permission to participate in any further hearings by the filing of briefs.

There was no indication why New York chose to file its own brief other than joining with the 38 other states, beyond the obvious inference that New York preferred not to go as far as some of the joint petition's statements. Possibly a clue is to be found in the first sentence of the first section of the joint petition. This states that "this court, in holding that insurance is interstate commerce and is subject to the Sherman act, has destroyed the foundation upon which state regulation is based." The New York brief, however, merely refers to the "overturning of the former long established and certain basis for full state jurisdiction" and that the decision "creates problems without foreseeable limits . . . concerning the ex-

tent to which state regulations are now permissible."

The fact that the New York brief does not go so far as to say that the court has "destroyed" the foundation upon which state regulation is based may indicate that in the event of some future controversy between New York and the federal government over the regulation of insurance, New York does not want to be in the position of having admitted that the foundation for state regulation has been "destroyed."

The text of the joint petition of the 38 attorneys-general is as follows:

This court in holding that insurance is interstate commerce and is subject to the Sherman act, has destroyed the foundation upon which state regulation is based.

This court, in holding that the Sherman act applies to the business of fire insurance, has denied the philosophy of state regulation by substituting the principle of unrestricted competition for regulation to insure solvent insurance at reasonable and non-discriminatory rates based upon a determination of the hazard assumed. The court has produced this result for the 48 states upon the theory that Congress so intended, although Congress has enacted legislation for the District of Columbia which adopts the philosophy of state regulation. In view of the fact that Congress has not acted to regulate the business of fire insurance in the 48 states, the court has presented a problem of law enforcement to the states, the extent of which the court did not fully recognize and which could have been so easily avoided had the court merely said that the business of insurance is subject to federal regulation, and left to Congress the enactment of appropriate legislation.

Burden Imposed on States

A transfer from state regulation to federal regulation or to a combination thereof, to the extent desired by Congress, could so easily have been effected without the burden imposed upon the states by this decision, and in no event, pending this transition, was it necessary to strike down the present system of state regulation by holding that the Sherman act applied to the business of insurance.

This court for 75 years, has steadfastly held to the constitutional view that insurance was not commerce, was a local business and, therefore, subject to the police power, with the result that during this long period of time a full and complete system of state regulation of the business of insurance has developed in the 48 states which, after many starts and trials, has crystallized in the philosophy that solvent insurance at reasonable rates shall be furnished without discrimination between insureds and risks of the same class and hazard. While the regulatory laws of the several states may differ in particulars, they follow the same general uniform pattern, the cornerstone of which was the holding of this court that the business of consuming a contract of insurance is a local transaction. Thus we find in the states laws as to agents' qualifications, the requirement of resident agents and the regulation of the payment of commissions thereto, and the same pattern of regulation in the District of Columbia by virtue of Congressional legislation.

Overlooks Effect of Holding

In the decision of the court, unlike the dissenting opinions, sufficient regard seems not to have been given to the problems imposed upon the 48 states. In sharp contrast to the viewpoint of the minority, the court apparently suggests that its holding does not necessarily invalidate state regulation because (a) certain phases of the business may be only intra-state in character and (b) state regulation may be allowed to remain until Congress preempts the field by an act to regulate it to the exclusion of the states. This clearly overlooks the effect of holding that the business of insurance is interstate commerce and subject to the Sherman act which automatically brings about a basic and fundamental conflict with state regulation. The commerce clause is not regulatory in scope but is the basis for regulation. In holding that the business of insurance is commerce the effect is to strike down the existing system of regulation without offering a substitute therefor until Congress enacts appropriate legislation. When the vital interests of the states are concerned, it would seem that the horse should be in front of the cart and that state regulation should not be displaced until Congress has acted.

Illustration of Difficulty

In illustration of the difficulty in determining what is local and what is interstate when the question of a burden on interstate commerce is involved and in illustration of the effect of the decision of this court, we call attention to a recent decision of the United States district court of Idaho, northern district (Ware v. Travelers Ins. Co.), decided June 28, 1944 (No. 1562, not yet reported) in which it was held that the resident agent law of that state (Section 40-902 I.C.A.) was an undue burden on inter-

state commerce, a diametrically opposite holding from the decision of this court in the case of Osborn et al. v. Ozlin, et al., 310 U. S. 553, decided prior to the instant case.

It is illuminating to note that a few days before the decision of this court bringing about a conflict between the basic principle involved in the Sherman act (unrestricted competition) and the theory of state regulation (solvent insurance at reasonable and non-discriminatory rates based upon a determination of the hazard assumed), Congress enacted (June 1, 1944) a rating law to give effect to this latter principle in the District of Columbia.

Surely it is a remarkable situation that Congress intended the Sherman act to apply to the business of fire insurance in the 48 states but did not intend it to apply in the field where Congress has exclusive legislative power—the District of Columbia.

Disqualification of Justices

A majority of the court did not concur in the decision rendered. By reason of the disqualification of two of the justices, only seven justices remained to consider the case. Of these, only four concurred in the majority opinion which overruled precedents of long standing, while three dissented.

For a period of over 110 years it was the practice of this court not to decide any case involving a constitutional question unless a majority of the whole court should concur. The wisdom of such a practice is clear. Questions concerning rights under the constitution are of the utmost importance. And of such questions, none could be more important than one involving a conflict between the power of the federal government and of the several states.

VITAL TO 48 STATES

The decision of this case is undoubtedly of importance to the litigants, but it is of far greater importance to the 48 states. The disqualification of two of the justices may have seemed proper when viewed from the standpoint of the interests of the litigants only, yet when viewed in the light of the importance of the decision to the states, it becomes a different matter. Certainly in view of the effect upon the states of the important constitutional question presented, all justices of the court should be qualified to participate in the decision.

Request is therefore made that the question of disqualification be reconsidered solely from the standpoint of the interest of the states. Petitioners respectfully suggest that where the interest of the 48 states is concerned there should be no disqualification unless it relates to the interest of the states.

Withhold Final Decision

If the disqualifications remain in effect, then it is requested that the previous policy of the court be followed, that is, that the final decision of the case be withheld until it can be determined by a decision in which a majority of the whole court concurs.

This court said in *Briscoe v. Commonwealth Bank of the State of Ky.*, Mayor of the City of New York v. *Miln*, 8 Peters 118 (1834), from which we quote:

"The practice of this court is, not (except in cases of absolute necessity) to deliver any judgment in cases where constitutional questions are involved, unless four judges concur in opinion, thus making the decision that of a majority of the whole court. In the present cases, four judges do not concur in opinion as to the constitutional questions which have been argued. The court therefore directs these cases to be reargued at the next term, under the expectation that a larger number of the judges may then be present."

The decision in these cases was again postponed in 1835 (9 Peters 85) and finally decided in 1837 (11 Peters 102 and 11 Peters 257). In view of the fact that the business of insurance has developed under state regulation for the past seventy-five years, it is submitted that this practice could well be followed in the instant case, especially since it would give Congress the opportunity to make the careful study so important a subject deserves.

The problem presented by the court's decision is giving the administrative officers of the states the greatest possible concern and they are most anxious that the matter be reconsidered. The insurance commissioners, in convention assembled, adopted a resolution calling on the attorneys-general of the several states to apply to this court for a reconsideration of its decision.

The interest of the states in the decision of this case is so vital that a rehearing of this case should be granted and petitioners should be permitted to present their views not only by written brief but by oral argument before the court.

Petitioners therefore urge the court that a rehearing be granted and that the justices who have previously disqualified themselves reconsider their disqualification in the light of the paramount interest of the states in the question presented, and that no decision be granted in this case unless it is concurred in by a majority of the whole court.

YOUR \$64 Question Answered

★ ★ ★

Men who aspire to build a General Agency will find that opportunity here. Most of our General Agents are men promoted from the Agency ranks, who have developed successful Agencies through our proven training course, which gets new Agents into quick production.

★ An unsurpassed line of modern Life policies, including Juvenile, with sales aids that click, assure **SUCCESS TODAY** . . . while

★ Our liberal Agent's Retirement Plan assures financial **SECURITY TOMORROW**

Highly desirable openings in several locations offer unlimited opportunity to men who want to succeed.

A valuable addition to our sales tools is also offered in a complete line of Accident, Health and Hospital policies which is proving tremendously popular.

Operating in Illinois, Iowa, Michigan, Minnesota, Ohio and Wisconsin



Life • Accident • Health • Hospital

Los Angeles Agency Has Five Millionaires



Left to right: Edward Choate, John H. A. Campbell, George A. Lyddy, R. H. Bradstreet, Rolla R. Hays, Jr.

Five qualifying members of the Million Dollar Round Table is the enviable record of New England Mutual's Hays & Bradstreet agency in Los Angeles. In addition, the agency is leading the company in paid-for production with an average of \$1,000,000 a month for the first seven months.

This quintet includes three full-time representatives and two general agents, and might well have been a sextet if the sixth, a member in three previous years, had not gone into the navy.

Oldest of the agents in point of service is Edward Choate, who joined the agency in 1934, shortly after it was organized. This is his third consecutive year of qualification and he thus obtains life membership. He is first vice-president and membership chairman of the Los Angeles Association of Life Underwriters.

J. H. A. Campbell qualified for membership in 7½ months, joining the agency in June, 1943, and completing his production requirements last February of this year. For 16 years he was a factory salesman in the automobile business and has been in the insurance business in Los Angeles for 20 years. He was presented the "Most Valuable Associate" award by the agency this year.

George A. Lyddy qualified for the Million Dollar Round Table in 1943, becoming a full-time agent in November

of that year. Before that time he had associated with the agency for five years as a broker. He has been in the general insurance business in Los Angeles since 1932, maintaining his own agency.

R. H. Bradstreet, one of the two qualifying general agents, won membership in the Round Table by writing a large number of individual cases, all as the result of the programming of personal life insurance estates. His largest single case was \$50,000. He became general agent of New England Mutual in 1932, in partnership with Rolla R. Hays, Sr., Rolla R. Hays, Jr., and Wm. Eugene Hays, who is now director of agencies at the home office.

Rolla R. Hays, Jr., general agent, also qualified for membership in addition to having the principal responsibilities for the management of the agency. One of the partners who organized the agency in 1932, he has had an important part in building it from scratch to the company's leading agency in volume.

In addition to these five qualifying members, G. Nolan Bearden, now lieutenant (j.g.) in the navy, qualified for membership in 1940, 1942, and 1943. He would have qualified in 1944, thus making him a life member, except for his duties in the service. He attended the Detroit meeting.

New England Mutual has 30 members of the Million Dollar Round Table this year, 28 of them qualifying.

To Curtail Parley of Life Insurance Association

NEW YORK—The Life Insurance Association of America has abandoned plans for a two-day open convention the latter part of this year, James A. Fulton, president of the association, announced today. This decision was made in view of war time transportation needs, Mr. Fulton said, and is in line with suggestions of the Office of Defense Transportation for relieving strain on the nation's travel facilities. The convention would have marked the 38th annual gathering of the organization, formerly the Association of Life Insurance Presidents.

The association's annual meeting this year will be confined to a one-day business session limited to members, Mr. Fulton stated. The meeting will be held at the Waldorf-Astoria here on Friday, Dec. 1. The association's decision to give up its 1944 convention parallels action taken in 1942 when, for the first time in its history, it cancelled its annual gathering for the same reason. Its annual meeting last year was greatly modified.

Prior to the war, when the association held its annual conventions the meetings were open to the entire insurance industry, and leaders in the business from all parts of the United States and Canada attended. Attendance of 10 of the meetings exceeded 600.

Retail Credit Western Shifts

W. P. Merrill, Salt Lake City manager of the Retail Credit Company, has resigned to go with Prudential there. He has been with Retail Credit since 1923 and became manager in 1930. He is succeeded in Salt Lake City by George B. Owen of Phoenix, Ariz.

Franklin's Quarter Million Women Visit Home Office

En route home from the annual convention of the National Association of Life Underwriters, where they received plaques for membership in the Women's Quarter Million Dollar Round Table, Mrs. Lillian Probst, Mrs. Lillian O. Sallee, Mrs. Rose Emmett and Mrs. Minna Hensley, Franklin Life women, visited the home office in Springfield, Ill. Vice-president W. L. Dugger and J. V. Whaley, director of agencies, who officially represented the Franklin Life at the convention, accompanied the four plaque winners on their trip to Springfield.

Plan Mich. State College Courses

LANSING, MICH.—Plans for inauguration of insurance courses in Michigan State College at East Lansing were discussed at a meeting here of representatives of the Michigan Life Underwriters Association, leading local associations and C.L.U. chapters. F. A. McCartney, Equitable Society, Lansing, was in charge of arrangements for the meeting. Trustee Edward J. Dore of Detroit represented the national association.

Two courses are planned, one of two years, completion of which will entitle the student to a certificate of accomplishment, and the other of four years, with a degree in life insurance. Both courses will be designed to qualify the student for taking the C.L.U. examination, the shorter one being planned particularly for returning service men or other more mature students who wish to expedite their training by doing more intensive work. It is also planned to round out the program with "consumer"

courses for business administration students or others who wish to familiarize themselves with insurance practice in order to plan intelligently their own insurance or that of others.

Contest Honors Service Men

Honoring its agency men in service, Great American Reserve of Dallas had the most successful month in its history in August when 26 salesmen wrote \$1,274,975 paid-for life insurance and 1,374 accident and health applications. This gives an average for each salesman of \$49,037 in life insurance and fifty-two accident and health applications. The average commission per man for the month was \$1,051.

The August contest in honor of the service men was suggested by the sales force. For each \$1,000 of life insurance produced, the company has set aside \$1 as a bonus for the absent salesmen to be presented upon their return, which is expected to assist greatly in their readjustment into civilian life and their return to insurance.

Know the strong points of your proposition. Get the new **Little Gem**. \$2.50 singly from National Underwriter.

Insurance Men Join Fight on Southern Cooperatives

MEMPHIS—All state and local stock insurance organizations, as well as prominent local agents and company representatives, are pledged to aid in the fight against the proposed nine-state co-operative, advertised as the Southern Consolidated Cooperatives, Inc. At a meeting of more than 600 business and industrial leaders from the nine states involved, it was decided to consolidate the opposition in a branch office to be established by the National Tax Equality Association. Sam Carey, local agent, and Cecil Woods, president of Volunteer State Life, were named to represent insurance interests on a special regional committee.

Principal speaker at the meeting was Ben C. McCabe, president of the National Tax Equalization Association, Chicago.

Denial that the Farm Security Administration is "sponsoring" this huge cooperative has come from A. D. Stewart, regional director of the Arkansas FSA, who claimed that FSA "aids" but does not "sponsor" such movements.

THEY CAN STILL GET IT

When a young Oregon contractor bought \$20,000 of Occidental 5-Year Convertible Term Insurance with Income Disability in 1925, he paid us \$172.40.

When he was paralyzed by a broken back less than a year later, we started paying him \$200 a month.

When his Term policy expired, it converted automatically to Ordinary Life. The \$200 per month continued.

When he died in 1943, we paid \$20,000 in cash.

When we closed the file, we had paid \$62,000!

And when select risks ask for Income Disability with Life Insurance, they can still buy it from Occidental—\$10 monthly income per \$1,000—and we still issue on Convertible Term plans, too.

Occidental Life

INSURANCE COMPANY OF CALIFORNIA

HOME OFFICE ★ LOS ANGELES

V. H. Jenkins, Vice-President

"We pay lifetime renewals—they last as long as you do"

Omaha Wins N.A.L.U. Midyear

(CONTINUED FROM PAGE 1)

and living today. "Learn to think on your own," he said, "and temper your sense of humor with magnanimity." Mr. Schriver then spoke forcefully and at considerable length on realism, blaming every American over 45 years of age for world war II. It began long ago, he said, because we took the attitude that we "couldn't afford to offend a friendly nation that is a potential customer." Instead, he declared, we should have told Japan that they weren't going into Manchuria and Mussolini into Ethiopia "because we won't let you."

"Remember you are only 2½ days from any airport on earth and the most dangerous explosive ever invented is 'neighborhood without brotherhood,'" Mr. Schriver said, in urging that we all learn to know and to like people better. Anything else will make for international suicide, he added.

In closing, Mr. Schriver said he believed that in the future the legitimate rewards of living would be measured not so much in terms of material things as in terms of service rendered to our fellow men.

At the end, when flowers were wired to Mrs. Schriver, he disclosed that it

was their 29th wedding anniversary.

When the final tabulation has been completed, it is likely that the registration at the Detroit convention will have set the all time high mark. Registrations were being taken at three places in Detroit and an official figure was not arrived at during the week. It is expected that it will be in excess of 2,300. Previously the high mark was set at the 50th anniversary meeting at St. Louis in 1939, the total being 2,240.

The Detroit hosts were complimented for their skillful handling of difficult problems arising out of war time conditions. When the convention was scheduled for Detroit it was estimated there would be needed hotel reservations for 900 but the demand skyrocketed and double that number was taken care of. Some 25 hotels had to be utilized. Several hundred more would have attended had they been able to get hotel room.

The fact that the crowd was dispersed throughout the city and, indeed, in Windsor, Can., as well, made fraternizing very difficult. If the conventions continue to expand there will be only two or three cities in the country where most of the conventioners could be housed under one roof and where meeting places and other accommodations would be adequate.

At Detroit hundreds of those who tried to get into the main convention sessions were turned away, as every seat was taken in the ballroom and every inch of standing space was occupied.

Element of Contest Missing

This year the element of contest for officer and trustee positions in the association was very largely absent and this was obviously a source of regret to hundreds of the conventioners who have come to enjoy the political maneuvering of the conventions.

If the national council at its mid-year meeting in 1945 adopts the recommendation that was made by the council at Detroit, a contest will be assured for the future. It is recommended that the nominating committee submit the names of at least two for the office of secretary and that the committee be permitted to submit the names of a larger number of trustee candidates than is now provided for.

The two leaders who stand out prominently as secretary material for the immediate future are Jul B. Baumann, Pacific Mutual, Houston, and Judd C. Benson, Union Central, Cincinnati. In the balloting for trustee positions, Mr. Benson, it is reported, got the greatest number of votes and Mr. Baumann came next. Incidentally in the Third Convention Daily of THE NATIONAL UNDERWRITER covering the Detroit proceedings, due to an inadvertence, the name of Mr. Benson was omitted from the list of new trustees elected.

To make a choice between these men will be extremely difficult, as they are universally respected and are extremely popular. Should it develop into a Benson-Baumann contest it would appear at this time that the loser next year would almost certainly be the winner the following year.

Hilarious Free For All

The national council election meeting produced what turned out to be an hilarious parliamentary free for all. There was not a great deal at stake because all that had to be done was to elect nine trustees out of a field of 10 candidates and the fact that such an amazingly complicated fight developed indicated that the national council members are determined to manufacture a contest about something if they aren't presented with a real battle.

The nominating committee brought in a slate of nine candidates for nine trustee positions and additionally, E. Dudley Colhoun, Shenandoah Life, Roanoke, was put in nomination from the floor. There were six to be elected for a two-year term and three for a one-year term.

The question was whether just one ballot should be taken with the six candidates receiving the highest number of votes being elected for the two-year terms and the next three getting the one year positions and the tenth man eliminated or whether first a ballot should be taken to fill the two-year positions and then a second ballot to select those for the one year terms from among the remaining four. The debate on this question was prolonged and uproarious. The final decision was to take two ballots. It is interesting that the result would have been exactly the same had a single ballot been allowed to tell the story.

Niemann and Throgmorton

Many at the national council meeting were surprised that W. K. Niemann, Bankers Life of Iowa, Des Moines, and Louie Throgmorton, Aetna Life, Shreveport, were not nominated from the floor. Their names had been offered to the nominating committee but they were not put before the national council and they were not included in the nominating committee slate. It turns out that Mr. Niemann had been urged to enter the arena by some friends in the east but he declined to become an active candidate. His name was submitted to the nominating committee but that fact did not become generally known until the time of the Detroit convention and there had been no advance publicity about that move. Mr. Niemann declined to permit himself to be nominated from the floor. Mr. Throgmorton had permitted something of a campaign to go forward in his behalf but he was not putting up a do or die effort and had decided to leave the final decision with the nominating committee.

The pattern of convention week was considerably different from years past. Previously there has been a great deal of activity and indeed a great deal of

Confusion Arises as to Thanksgiving Day

There is much confusion this year in consulting calendars as to when Thanksgiving Day actually will take place. Evidently a number of calendars were printed ahead of time. About 50% show Thanksgiving Day this year Nov. 23 and the other half Nov. 30. So far as The National Underwriter is able to ascertain, Nov. 23 is the official day. There may be some state laws that set the last Thursday of the month as Thanksgiving. In such a case that day will be observed in those states but the National Thanksgiving Day will be Nov. 23.

congestion Monday and Tuesday of convention week. By the time the main convention had started Wednesday morning many of the conventioners had taken in the events in which they were particularly interested and were ready to leave. For instance, in previous years on Tuesday were held the meetings of the Million Dollar Round Table, general agents and managers, women underwriters and then the dinner meeting of the state association presidents.

This year the Million Dollar Round Table didn't start its sessions until Thursday morning, the managers had simply a half day session Wednesday afternoon and the women were meeting at that time. The association presidents' dinner was held Monday evening. Under the new routine, the events were more evenly scheduled and it was generally regarded as an improvement.

In the past a large number usually arrived on Sunday to be ready for the national council meeting Monday morning but this year the only scheduled event during the day Monday was the trustees meeting and those that came in early found that there was little for them to do. It is likely that hereafter if the present pattern is retained there will be few on hand Sunday except the trustees, headquarters group and others with special missions.

At the trustees meeting Saturday the contest for mid-year meeting was presented by E. Harold Peterson, president Virginia association and general agent of Mutual Benefit Life in Roanoke. The Indianapolis association did not actively campaign for the meeting, though E. A. Crane, general agent of Northwestern Mutual, said that the Indianapolis association would be happy to entertain a mid-year meeting any time the trustees would like to hold it there.

In response to numerous requests for clarification of the resolution adopted by the trustees and national council which called for licensing only full time representatives in both urban and rural areas in the future, the trustees following their post convention meeting Saturday issued a statement saying that "it was the sense of the members of the Board" that the resolution "constitutes the long range objective of the association."

To implement the principles outlined in the resolution the board instructed President Andrews to invite the Life Insurance Association, American Life Convention, Association of Life Agency Officers and the National Association of Insurance Commissioners to designate or name committees to meet with N.A.L.U. representatives "to formulate plans and procedures calculated ultimately to attain the objective."

Harrington in Cincinnati

Commissioner Harrington of Massachusetts will address the Cincinnati C. L. U. chapter Friday on the "Effect of the Recent Supreme Court Decision on the Future of Life Insurance." The meeting is open to all life men and their guests.



★ AMONG MANY OTHER THINGS THE CHICAGO ASSOCIATION IS DOING FOR ITS MEMBERS IN THE SERVICE, HERE IS ONE OF SPECIAL INTEREST.

EACH SERVICE MAN is being mailed a gift copy of the R & R'S READY REFERENCE POCKET MANUAL. A gold imprint carries the soldier's name as a member of the Chicago Association. Being vest pocket size, the Manual with its almost 300-pages of sales pointers, fits into the soldier's blouse pocket or a corner of his locker without taking up too much room.

WE VENTURE THE MANUAL will be a much-appreciated gift. One of the large companies thinks so highly of it that it has purchased 500 copies for distribution to its service men.

PROBABLY IT IS TOO LATE NOW FOR OVERSEAS MAILING, but if you have men in this country, I can think of nothing they would like better than a Christmas gift of the manual. Imprint the name in gold, together with your company or agency address, and your men will feel that they are still in the life insurance business, even though they are in the service.

PAUL SPEICHER
Managing Editor
**THE INSURANCE
RESEARCH & REVIEW SERVICE**
INDIANAPOLIS

IS LIFE INSURANCE A PROFESSION?

Society has a way of punishing the man who claims professional status when he lacks the training or spirit of service that his profession demands. No man can long get by as a quack.

Like many other good companies, The Life Insurance Company of Virginia provides educational facilities for agents and encourages the study that leads to proficiency in a life insurance career. The advice and counsel given their clients by life insurance men can be immeasurably helpful or woefully disastrous. Let no quacks masquerade as life insurance underwriters.

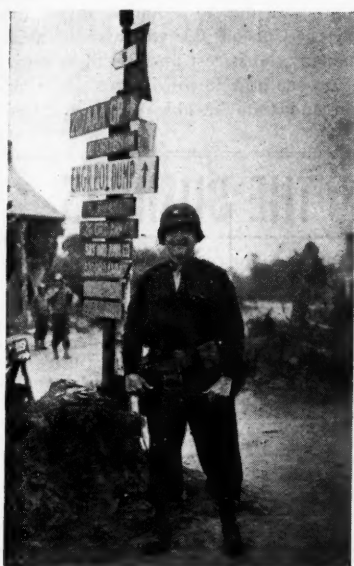
LIFE Insurance Company OF VIRGINIA

Home Office
Richmond



Established
1871

Nylic With Patton



Col. Fred Kelley, on the staff of General Patton's Third Army in France, is a New York Life agent on leave of absence. Col. Kelley, a consistent Nylic Club member representing New York Life in Pottstown, Pa., is an older brother of George Kelley, supervisor of sales publications at the New York Life's home office and secretary of this year's annual meeting of the Life Advertisers Association.

Union Gets Out Guide on Bargaining for Group

(CONTINUED FROM PAGE 3)

sion which has agreed to furnish the names of other unionized insurance companies to our representatives upon request.

Members are cautioned not to make any commitment with any one insurance representative. When word gets out the union is interested in group insurance, the negotiating committee will be approached by various insurance representatives stating that the problem is complex and that expert advice is necessary. The guide, however, provides a better understanding of the trade union point of view of the problem than will be gotten from most insurance representatives, it is asserted. After discussing the question of commissions in the light of the union's interest in getting the employer to pay all premiums, "many insurance representatives are willing to be and can be of great assistance to the local negotiating committees." There is no real need, however, for calling in experts to negotiate group insurance benefits.

Concessions Are Obtainable

Many concessions can be obtained from insurance companies in the way of waivers of the regular provisions. For example, they will extend the 31 day period of coverage of life insurance benefits following termination of employment to six months under certain conditions.

Thus far the national war labor board has not ruled on the question of whether it would order a firm to institute or extend a group insurance plan in a dispute case. Several panel reports have recommended such a step and the issue is now pending in the Babcock and Wilcox case, which is expected to set the

precedent on the questions of whether or not group insurance can be ordered in a dispute case.

A suggested plan provides the following: Minimum of \$1,500 life insurance—100% of average annual earnings based on 40 hour week, with same accidental death and dismemberment coverage; weekly sickness and accident benefits based on 66% of weekly average earnings on 40 hour week with uniform benefits for male and female workers; accident benefits starting first day, sick benefits starting fourth day; 13 weeks disability payments, maternity cases six weeks; surgical benefit schedule up to \$150; \$6 daily hospitalization with \$50 allowance for miscellaneous benefits and same benefits for dependents; life insurance, surgical and hospital coverage to continue one year and accident and sickness coverage to continue one month; employer pay all premiums with labor-management control. The estimated annual net cost per worker with a \$2,000 income for a firm in the 80% tax bracket for comprehensive coverage is \$14.52. The booklet sells for 75c.

The cheaper rates usually charged for savings banks life insurance in states where it is available is a factor in termination of employment when the worker decides to convert his coverage, although group policies are very similar to the policies written by insurance companies.

Three More Pension Service Bulletins Promulgated

(CONTINUED FROM PAGE 1)

ences in benefits are approximately offset by the retirement benefits provided by the social security act. Retirement benefits under the social security act are not payable before age 65. The value at age 60 of a life annuity beginning immediately is approximately 50% higher than the value at age 60 of a deferred life annuity beginning at age 65. Thus, the differential benefits provided under the subject plan are of approximately equivalent value to benefits of 1½% per year of service beginning at age 65. These differential benefits exceed those permitted under either formula in mimeograph 5539 and thus discriminate in favor of highly paid employees. Accordingly, under the facts presented, the plan does not meet the integration requirements set forth in mimeograph 5539.

Provision for Pension Plan

Advice is requested as to contributions to be made to provide benefits for an employee, age 59, receiving an annual salary of \$27,000, and who will be entitled to a pension of \$400 per month at retirement age 65. The employer's contributions are applied on a level premium annuity contract, providing pensions to retiring employees for 10 years certain and for life thereafter. On Dec. 15, 1943, a contribution was made on behalf of the aforementioned employee in the amount of \$12,000 and, under the plan, it is contemplated that additional contributions of \$12,000 will be made annually for the succeeding five years in order to fund the benefits prior to this employee's retirement on Dec. 15, 1949.

Under the facts as stated, in accordance with paragraph 4 of mimeograph 5717, 1944—L.R.B. No. 14, page 17, in addition to the contribution of \$12,000 made on Dec. 15, 1943, the employer may make an additional contribution for this employee on Dec. 15, 1944, provided he makes the full contributions due on that date for all other employees. He must then suspend other unrestricted contributions for the benefit of this employee until such time as the total of these two contributions, \$24,000, comes within the limits of paragraph 3 of mimeograph 5717. At the expiration of five full years during which the plan is continued in full force and effect and the full current costs are met, assuming no changes occur in the amount of the compensation, the amount of employer contributions which may be used without restriction for the benefit of this employee would be 20% of his compensation, or \$5,400, multiplied by 5, or a total of \$27,000. Accordingly, at the end of the fifth year the employer may earmark additional contributions for this employee's unrestricted benefit in the amount of \$3,000, representing the difference between \$27,000 and \$24,000, consisting of \$12,000 contributed on Dec. 15, 1943, and \$12,000 to be contributed on Dec. 15, 1944. At the end of each year thereafter in which the plan continues in full force and effect, including the payment of full current costs thereunder, the employer may earmark additional contributions of \$5,400 for the benefit of this employee until the total costs of his benefits contemplated under the plan are thus provided.

In accordance with paragraph 5 of

mimeograph 5717, after the employee's retirement on Dec. 15, 1949, provided the plan is continued in full force and effect and the full current costs thereunder are met, the employer may pay such additional amounts directly to the employee as will, together with the unrestricted benefits payable under the annuity contract each year, provide the employee with the full retirement benefits contemplated under the plan.

John Hancock Gen'l Agents Elect

The John Hancock General Agents Association at a meeting in Detroit last week elected Henry S. Stout, Dayton, president; Albert C. Adams, Philadelphia, first vice-president; J. Bruce MacWhinney, Newark, second vice-president; Joseph W. Essick, Reading, Pa., treasurer, and McKay Reed, Louisville, secretary.

Elected as directors were: Manuel Camps, Jr., New York; Frank Bobst, Boston; Maynard E. Keiser, Springfield, and George Vinsonhaler, Cincinnati.

Management Committee Meeting

The recently appointed agency management committee of the Sales Research Bureau, which is headed by W. P. Worthington, vice-president of Home Life of New York, is holding an organization meeting this week in New York City. Holgar J. Johnson, president of the Institute of Life Insurance is the "guest consultant" for this week's meeting, which continues for two days.

Foan Field Supervisor of United States Life

Roy A. Foan, who has been Newark manager, has been appointed field supervisor of United States Life. Mr. Foan has served the company for many years, first in the underwriting department and later as agency assistant, both at the home office, before taking over the management of the Newark branch. He has been active in the Life Advertisers Association and in various life organizations in Newark.

Frank G. Donnelly has been appointed Newark manager to succeed Mr. Foan. He is well known in Newark insurance brokerage circles. He entered the insurance field in 1938, having previously served as export manager of the Art Metal Works of Newark. He has been active in civic affairs.

Miss Marian E. O'Donohue, daughter of President W. T. O'Donohue of Reserve Loan Life, and Lt. Adrian K. Lane of the coast guard, were married recently in the wardroom of a coast guard patrol vessel at Norfolk.

Mrs. Lane graduated from Texas State College for Women in 1943 and is studying at Charity Hospital, New Orleans, as a laboratory technician. Lt. Lane graduated from Trinity College, Hartford, in 1942.

FLASH

TO THE MEN IN THE FIELD

CONGRATULATIONS, MR. ANDREWS!

The National Association of Life Underwriters, meeting last week in Detroit, elected as their new president, William H. Andrews, Jr., home office agency manager for the Jefferson Standard Life of Greensboro, N. C. Commonwealth welcomes the opportunity of offering to Mr. Andrews its sincere congratulations on behalf of its official staff in Louisville and its field force throughout its territory.

Mr. Andrews has already rendered to the institution of life insurance services of enormous value, particularly in his work as chairman of the NALU Committee on War Savings. As president of the NALU, he assumes greatly enlarged responsibilities to his fellow underwriters throughout America and to the institution of life insurance which he has so ably represented. Commonwealth is glad to pledge its every assistance and its full cooperation in the many worthwhile and important activities of which Mr. Andrews will be the leader.

Where Quality Men are building Quality Volume

COMMONWEALTH

Life INSURANCE CO.

MORTON BOYD, President

HOME OFFICE ★ LOUISVILLE

LIFE DEPARTMENT MANAGER WANTED

General agency writing all forms of insurance have opening for experienced life insurance man to manage department. Good opportunity. Address W-93, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

EDITORIAL COMMENT

Life Insurance and Tax Reform

Proposals of the Committee for Economic Development to ease the corporate tax burden are of vital interest to life insurance on several counts. Any reduction of the income tax that would be paid by life companies is unimportant but the effect on the general economy will have far reaching results for the life insurance business.

The importance of a high general level of prosperity is self-evident. Regardless of the excellence of planned sales presentations, efficient prospecting and good management, life insurance sales and persistency of business are directly tied in with the country's prosperity. If people have money they can be persuaded to buy life insurance more easily than when they have less, even though under the latter circumstances there may be a more acute need for protection. Agents make more money, it is easier to get new agents and there is a snowball effect that is all to the good.

From a life insurance point of view it will be particularly desirable to shift from wartime prosperity to peacetime prosperity with as little disruption as possible so that progressive compensation plans for agents which have been developed and which are in the works will not suffer discouraging setbacks. Progress seems definitely assured but its speed will depend much on the economic climate.

Not the least important effect of a high prosperity level will be in the investment department of life companies. There seems to be no particular basis for a hope that interest rates will rise substantially for the type of investments which life companies buy. Nevertheless, a brisk demand for life company funds at whatever the going rate of interest proves to be will constitute a welcome change from the arduous search for decent investments outside the government bond category.

If the theory of the Committee for Economic Development is correct the removal of the paralyzing effect of high

corporation income taxes should serve to bring the maximum amount of venture capital out of the cyclone cellars. As this venture capital comes out of hiding to go into reasonably sensible-looking enterprises it can multiply its effectiveness by getting loans from life companies. Life companies are justifiably cautious about getting into the venture capital field themselves, at least on any large scale.

Under the system on which life insurance investment philosophy has in the main been based the entrepreneur takes the big risks and makes the big profit, if any. It is also his shirt that is lost, if any. The life company which supplements his working capital by buying his bonds is satisfied with a modest return in exchange for reducing the investment risk to a minimum. If this normal pattern can be continued after the war it should serve automatically to head off the clamor that frequently arises during depressions for life companies to stake the small business man in new ventures through equity financing.

That was the major theme of the Temporary National Economic Committee investigation of life insurance. Elaborate statistics and charts were exhibited to show that life companies were siphoning off the country's savings, which might otherwise have gone out as venture capital, and putting them into ultra-conservative investments, which were usually loans to big, highly solvent corporations.

Fortunately the outlook appears good for some degree of corporation tax reform, though probably not to the extent recommended by the C.E.D. Even the present administration in Washington, which is not noted for its kindness to business, seems to have come around to the idea that if there is to be large scale employment business must be allowed to make a profit and that it cannot make a profit if it is taxed to death.

Tenacity of Life Companies

The news to the effect that efforts are being made to rejuvenate and reorganize Agricultural Life of Detroit, which has been in conservation since May, 1938, attracted attention. It points to a fact that is well known in life insurance and that is the great stability and recoverability of a legal reserve life company and its powers of recuperation. Un-

doubtedly many such companies that went into the hands of a receiver or merged could have been put in a conservatorship, all acquisition expense cut off, and in fact, all other outlay reduced to a minimum. Then let the company work itself out.

In nearly all cases in due season an institution of this kind will be able to

resume business in course of time. If a cat has nine lives, a legal reserve life company has 99. In case of Agricultural Life, Commissioner Forbes of Michigan shows that its assets have so improved that policyholders are now protected by adequate reserves.

Rather than throw a legal reserve life company in the hands of a receiver it

can usually be saved through the conservation process as followed by Agricultural Life. Most of these companies' failure was due to a foolish investment policy. Cut off the expenses of a life company, let it rest and it will be amazing to see how it will improve its situation and thus be able to resume business.

PERSONAL SIDE OF THE BUSINESS

For the fifth time in the history of Union Mutual Life a director of the company has been elected governor of Maine. **Horace A. Hildreth**, a director since 1943, won this high honor in the recent general election.

Mr. Hildreth is a partner in a Portland law firm and is serving his third term in the state legislature as president of the senate.

Tom Hastings of the White & Odell agency of Northwestern National Life has been elected commander of the Theodor Petersen post of the American Legion, Minneapolis.

Inman Roberts, Waco, Tex., has completed 676 weeks of membership in Amicable Life's App-a-Week Club, also completing his 13th year of service with the company. He produced business his first week with Amicable, and has maintained a perfect record of App-a-Week Club membership ever since, his average weekly sales being 5.1 policies. His insurance in force totals more than \$2,000,000.

Clifford R. Garrett, general agent of Northwestern Mutual, has been appointed general chairman of the sixth war loan drive in Peoria, Ill.

Leo Douglas, one of the two C.L.U.'s in El Paso, Tex., and a member of the Million Dollar Round Table attended the N.A.L.U. meeting at Detroit as a guest of his company and also represented the El Paso Life Underwriters Association as its delegate. He is manager for Jefferson Standard Life.

John E. Callahan, district manager of John Hancock Mutual Life at Canton, O., will soon celebrate 40 years with the company. He will be retired Nov. 1, his 65th birthday. He started as an agent of John Hancock in Springfield, Mass., in 1905. He has been manager in Canton for 17 years.

W. E. White, vice-president and director of agencies of Continental Assurance, is bereaved by the death of his wife from heart disease in Presbyterian hospital after an illness of many weeks. Funeral services were held in St. Mark's Episcopal church, Geneva, Ill. The home is in Wayne, Ill.

Maurice B. Cohill this week is completing his 30th anniversary with the Woods agency of Equitable Society in Pittsburgh. In addition to being a substantial personal producer for more than 20 years, he has occupied various executive positions including assistant superintendent, assistant comptroller, assistant manager, head of the group department, and supervisor of office production. He has been a favorite speaker at sales congresses, is a director of Pittsburgh Life Underwriters Association, a trustee of Ben Avon United Presbyterian church and director of the Pittsburgh News Boys Home. He was one of the first

group of 24 to receive the C.L.U. designation.

A. C. Raines of Dallas, who is agency director of the north Texas division of Reserve Loan Life, is commencing his second year in that position and his unit is already producing at the rate of nearly \$3 million annually. He is well known in the state having been in the business in Texas for more than 20 years.

DEATHS

Douglas Baker, 33, advertising manager of "Northwest Insurance," died of an heart attack while making a business call in Minneapolis. He was a member of the Blue Goose and had a wide acquaintance among Minnesota insurance men.

Andrew P. P. Dunk, 64, for 18 years Salem, Mass., manager of Metropolitan Life, who retired in 1939 after serving the company for 30 years, died in Miami, Fla. He was born in Scotland. He had served Metropolitan in Lynn, Narragansett, R. I., Brockton, Waltham and Somerville.

Dr. William O. Pauli, 62, associate medical director of Union Central Life, died suddenly from a heart attack at his home in Cincinnati. He had seemed to be in perfect health shortly before the fatal attack occurred. He had been with the medical department of Union Central since shortly after his graduation from Johns Hopkins in 1907 and was widely known among insurance medical men.

Dr. Pauli joined the medical staff of Union Central in 1910, and in 1911 was made assistant medical director. He held that post until February, 1942, when he was made associate medical director. He was instrumental in establishing the company's chemical laboratory, in compiling many valuable statistical studies in the field of underwriting, and also in setting up a smooth-working procedure for the selection of medical examiners.

Dr. Carl Lovelace, 68, medical director of Amicable Life, veteran of two wars, and prominent in civic affairs, died in Waco, Tex., after an illness of many months. Dr. Lovelace was born in Missouri and went to Waco 55 years ago. He graduated from Baylor University in 1898, receiving his diploma before he left for service in Cuba during the Spanish-American war. After that war he graduated from the Vanderbilt school of medicine, interned at Washington, D. C., then spent some years in South America with a railroad and later with the government. On his return to Waco he was in private practice until he became medical director of Amicable Life.

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NEWS OF THE COMPANIES

Clifton Named Agency Head of Liberty Life

W. E. Clifton has been appointed agency manager of the ordinary division of Liberty Life, Greenville, S. C. Mr. Clifton has had 23 years of experience as personal producer and branch



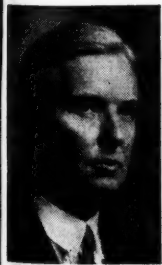
W. E. CLIFTON

office manager. He entered insurance in 1921 as supervisor for Life of Virginia in Greenwood, S. C. Two years later he was appointed manager of South Carolina for Jefferson Standard Life with offices in Columbia. With that company he served successively in the Charlotte, N. C., office, as organizer and manager of the Lynchburg, Va., office and as manager at Tampa, Fla., and Richmond, Va.

Mr. Clifton has been quite active in both agents and managers associations. He organized several agents associations.

Travelers Names Shepherd Actuary

Clinton O. Shepherd has been named actuary of Travelers companies. He will be in charge of all the actuarial departments that for the past 14 years have been under the supervision of the late Benedict D. Flynn.



C. O. Shepherd

Mr. Shepherd is a native of Kalamazoo, Mich., and attended Kalamazoo College. After extensive experience in actuarial work in the middle west, Mr. Shepherd joined Travelers in 1934 and was appointed associate actuary of the life department in December, 1935. He is a fellow of the Actuarial Society of America and a member of the council of that organization. He is also a fellow of the American Institute of Actuaries and a member of the board of governors. He comes from an actuarial family. One brother, Bruce E. Shepherd, is actuary of the Life Association of America, and another brother, Pearce Shepherd, is second vice-president and associate actuary of Prudential.

Underwriter Reeves Retires

William A. Reeves, underwriter of Lincoln National Life, retires from ac-

tive duty Sept. 30, the fifth home office employee to retire under the company's retirement plan for home office people. He joined the new business department in 1921 and later was transferred to the underwriting department. Before going with Lincoln National he was with Aetna Life for 20 years. Mr. Reeves, who for many years has been active in bowling has been appointed regional director of the American Bowling Congress in charge of the eastern office in New York City.

State Life of Indiana Observes 50th Anniversary

State Life of Indiana has rounded out 50 years of active business. It was started in 1894, five years before it was possible to organize a legal reserve life company in Indiana. However, the founders of State Life, although forced to organize under the only available assessment plan, began business on a full legal reserve basis and maintained such reserves as would have been required in other states that provided for incorporation of such companies.

When the Indiana legislature passed the legal reserve deposit law in 1899, State Life reincorporated on a legal reserve basis and was able to establish itself at once on the required full reserve footing.

Of the founders, Andrew M. Sweeney, first president, is the only survivor. His son, Robert E. Sweeney, is now president and another son, Clarence S. Sweeney, is general agent at the home office.

Lienhard Assistant Actuary

John B. Lienhard has been elected assistant actuary of Connecticut General Life. He was graduated from high school in 1917, and two years later joined Connecticut General's group department. He was transferred to the actuarial department in 1921. In 1926 he became a fellow of the Actuarial Society of America. In recent years he has been supervisor of the research division of the actuarial department.

Ariz. Insurer in New Home

International Life of Phoenix, Ariz., has just moved into a modern new home office building, designed only for the use of the company. International Life has made steady progress and has built a creditable agency organization in Arizona, Nevada and Utah. It is the only fully qualified legal reserve life company with a home office in Arizona. The officers are A. G. Ingalls, president; E. A. Moore, vice-president; William C. Taylor, secretary-treasurer.

The company is contemplating entering New Mexico and Colorado in the near future.

NEW YORK

HONOR JAMES A. FULTON

Home Life general agents and managers tendered a luncheon to President James A. Fulton in New York in honor of his election as president of the Life Association of America.

All general agents and managers in the metropolitan area or within reasonable wartime traveling distance of New York attended. Lester Horton, Newark general agent and vice-president of Home Life Agency Association, paid tribute to Mr. Fulton. Guests included E. I. Low, board chairman; W. J. Cameron, executive vice-president, and William P. Worthington, vice-president and superintendent of agencies.

CLARKE SUPERVISOR FOR CAMPS

Manuel Camps, Jr., New York City general agent of John Hancock Mutual Life, has added Andrew N. Clarke to

his staff with the title of agency supervisor.

Mr. Clarke is a graduate of Amherst and was a lieutenant in the first World War. He was connected with several large Wall Street firms for which he sold successfully and later recruited and trained sales organizations.

In 1934 he joined the Dunsmore agency of the Equitable Society and two years later he transferred to the Stuart Warner agency of New England Mutual, after which he became affiliated with Manuel Camps agency. In his 10 years in life insurance he has been a successful producer and has assisted many of his associates in their selling problems.

The Camps agency was started from scratch in 1938 and each year has shown a substantial increase in production.

KRUEGER & DAVIDSON PARLEY

Warning against complacency and a decline in efficiency at the present time when sales are easy to make, Harry Krueger told the Krueger & Davidson agency of Northwestern Mutual at its annual meeting in New York that the best way to prepare for postwar prosperity is to attain greater efficiency in every sales operation. W. S. Davidson presented effective new sales promotion material, urging agents to adapt it to

their own individual techniques and personalities.

A message from M. J. Cleary, president, was read by A. M. Otterbourg, a leading producer, and one from G. L. Hill, director of agencies, by H. L. Barnett, member of the Million Dollar Round Table. "The needs for life insurance, both personal and for tax and business reasons, are greater and will be greater because of the war," Mr. Cleary stated. "The financial capacity to satisfy these needs is here now, and I am optimistic enough to believe it will be here in the future. To think otherwise is to lose faith in the future of our country. I haven't lost that faith and I hope none of you have."

Despite a greatly decreased agency force, agents completed with July a series of 16 consecutive monthly increases in paid-for business ranging percentage-wise from 5% to 62%, Mr. Hill stated in his message.

D. B. Flugelman, member of the Million Dollar Round Table, said that despite his success in pension trust work, he decided to drive for personal business in May and in 3½ months paid for 28 lives in amounts varying from \$85,000 to \$1,000.

Three agency members on leave in the armed forces were guests: Maj. Irving Held, Ensign Loe Levy and



HEADS bowed, hands clasped they say grace—and in their hearts a secret prayer for husband and father lingers... for all the thoughtful things he did... for enabling them to maintain the way of life they once enjoyed together... for leaving them a legacy that makes their future SECURE.

Do you know that the Berkshire Triangle FAMILY PROTECTION PLAN—for ten, fifteen and twenty years—is designed to provide a regularly monthly income payable at the insured's death to the widow, sufficient in amount to supply the ordinary necessities and comforts of life?

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LIFE INSURANCE COMPANY

Incorporated 1851

PITTSFIELD MASSACHUSETTS
HARRISON L. AMBER, President

Naval Lieut. J. Robert Glauver. Mr. Krueger and Mr. Davidson were appointed general agents June 1, succeeding the late Rudolph Recht, after assisting in the management of the agency for a number of years.

ACCIDENT

Set H. & A. Conference Mid-Year, Annual Meetings

The mid-year meeting of the Health & Accident Underwriters Conference was set for Feb. 5-6 at the Drake hotel, Chicago, and the annual meeting for June 5-7 at the Edgewater Beach there, at a meeting of the conference executive committee in Chicago.

Reserve Life of Dallas and Employers Casualty of that city were admitted to membership, bringing the total conference membership to a new high of 127 member companies.

W. C. Butterfield, secretary of National Casualty and chairman of the conference committee on surgical schedules, submitted the final report of the work of his committee, together with printed copies of a suggested uniform schedule. President H. P. Skoglund indicated that the surgical schedule committee was not discharged, but would have further related work assigned to it.

There was considerable discussion concerning the effect of the United States Supreme Court decision and the more recent report of the subcommittee of the legislative committee of the National Association of Insurance Commissioners regarding future legislation on this matter.

Other matters discussed concerned legislation, action of insurance departments and the work being conducted by the new conference committees, such as the aviation, hospital insurance, medical insurance and special risks committees.

Harold R. Gordon, managing director, introduced Bill Howland, newly appointed statistician of the conference.

Sholl Announces Committees

President C. A. Sholl of the National Association of Accident & Health Underwriters has announced chairmen of standing committees as follows: Membership, Emerson Davis, Inter-Ocean Casualty, Dallas; constitution, F. Glenn Packwood, Massachusetts Bonding, Kansas City; law and legislation, W. B. Cornett, Loyal Protective Life, Boston; public relations, C. Norman Green, Hoosier Casualty, Indianapolis; education, Mansur B. Oakes, Indianapolis;

business standards, Leroy W. Secor, Washington National, Des Moines; associate companies, Travis T. Wallace, Great American Reserve, Dallas; publications, Wendell C. Taylor, Taylor Publishing Co., Indianapolis; memorials, A. F. Taylor, Inter-Ocean Casualty, Toledo; safety and health, E. W. Welton, Business Men's Assurance, Columbus; agency management, Robert J. Barrett, General American Life, St. Louis; cooperation with H. & A. Underwriters Conference, O. F. Davis, Illinois Bankers Life, Monmouth, Ill.; cooperation with National Association of Life Underwriters, Martin L. Seltzer, General Accident, Des Moines; cooperation with National Association of Insurance Agents, Charles H. Bokman, New Amsterdam Casualty, Pittsburgh.

Dallas A. & H. Luncheon Parley

The first fall luncheon of the Dallas Association of Accident & Health Underwriters was held Monday following which Emerson Davis, Texas manager Inter-Ocean Casualty, reported on the meeting of the national directors at Chicago last week and Porter Bywaters, Employers Casualty, reported on the National Association meeting last June in St. Louis.

G. F. McKenna, manager of Continental Assurance in San Francisco, addressed the Alameda and Contra Costa units of the California Chiropractic Association in Oakland on present trends in accident and health insurance. He also discussed the simplified claim forms recently developed to assist attending physicians and surgeons in completing their report forms.

Training School at Atlanta

A group of selected agents of Mutual Life is attending the company's basic training school in Atlanta this week. Charles J. Currie, Atlanta manager, is host. Guests include Earl R. Lollo, manager at Charleston, W. Va., and N. D. Beckman, Jr., assistant in the Jacksonville agency.

Henry Persons and James H. Lake, home office training assistants, are conducting the school.

Lincoln National Wisconsin Rally

Lincoln National Life agents in the J. Bon Davis general agency, representing 23 counties in northeastern Wisconsin, attended a two-day agency meeting in Appleton. The conference was devoted to discussions of current problems and future prospects in life insurance selling.

LIFE AGENCY CHANGES

Harrison to Seattle for Phoenix Mutual Dickenson Back at Philadelphia Post

Lloyd D. Harrison, formerly Phoenix Mutual manager at Newark, has been appointed manager in Seattle and Charles D. Girdner, formerly supervisor in Brooklyn, has been advanced to man-

M. P. Dickenson has resigned his duties as manager of Equitable Society at Philadelphia, having been recently put on the inactive reserve list of the navy. For the last two years he was a lieutenant. After his discharge he returned to his agency to renew his activities. He was a member of the Million Dollar Club. Edward F. Bailey, who merged his own agency with the Dickenson organization, now becomes associate manager.



LYOYD D. HARRISON

ager there. Edward B. Ames has been placed in charge at Newark with the title of supervisor.

Mr. Harrison, a graduate of Tri-State College, joined Phoenix Mutual in 1929 in Chicago. In 1931, he was appointed a field supervisor and in 1932, when the Newark agency was opened, he was appointed manager. The agency now has more than \$7 million insurance in force.

Mr. Harrison is a former president of the New Jersey State Life Underwriters Association.

Succeeds Clifford L. Morse

Mr. Harrison at Seattle succeeds Clifford L. Morse, who was recently advanced to assistant agency manager at the home office.

Mr. Girdner, a graduate of Baker University, joined the New York downtown agency of Phoenix Mutual in 1937, and he was advanced to field supervisor in 1939. He received valuable training in agency management in several large agencies including Chicago, Detroit, New York Uptown and Philadelphia. He has been supervisor in charge of the Brooklyn agency about a year.

Equitable, Ia., Names Gundersdorff in N. J.

Roy Gundersdorff, agency organizer in the Newark agency of Mutual Life, has been appointed general agent for northern New Jersey by Equitable Life of Iowa.

Mr. Gundersdorff has been in life insurance work for nine years, all of that time with the Newark agency of Mutual Life. He started as an agent and four years ago was advanced to agency organizer. He is a former president of the Life Supervisors Association of Northern New Jersey.

In his new position he will supervise 12 counties in northern New Jersey, with headquarters in the National Newark & Essex Bank building, Newark.

Le Prie with Southwestern

J. L. LaPrie has been named to represent Southwestern Life in Dallas. He has been in life insurance for 28 years. He will maintain his office at 416 Republic Bank building.

New Appointments Made by Occidental Life

Occidental Life of California has made several new appointments. Community Associates, Ltd., has been appointed general agent in Toronto, with Charles H. Rea heading the agency. Cornelius J. Kelleher has been named general agent at Billings, Mont. Dan Cusack has been made branch manager in Davenport, Ia.

Elmer H. Shields has been designated as home office supervisor for Minnesota, North Dakota and South Dakota, with headquarters in Minneapolis. William F. Kelly has been named regional group representative in Pittsburgh. Don Lee Hartman, just returned from two years service in the army, is the new regional group representative for southern California, Division A. E. LeRoy Jenkins has been appointed pension trust supervisor with headquarters in Chicago. James O. Conger has been appointed supervisor in San Diego.

Booher Goes to Baltimore as Home Life Manager

Claude L. Booher has been named manager in Baltimore for Home Life of New York. He joined Home Life in 1927 in the T. W. Callihan agency in Boston. After a successful period of personal production, he became a supervisor, later becoming a partner of W. H. Preble in another Home Life agency in Boston. Recently he has been in the home office agency as a field assistant.

Name Pension Trust Heads

W. H. McCoy has been appointed director of the newly established pension trust department of New England Mutual Life's Detroit agency, with J. R. Kennedy as assistant director of the department. Fraser E. Pomeroy is agency manager. Mr. McCoy has been with the agency 25 years and is past president of both the Detroit Life Underwriters Association and the C.L.U. chapter. Mr. Kennedy has been with the agency for 12 years and is immediate past president of the C.L.U. chapter. Both have specialized in pension trusts for several years.

Roberts Memphis Manager

G. L. Roberts has been appointed manager of Acacia Mutual in Memphis, succeeding Maurice Carlson, who recently went to the home office to do agency supervisory work. He has been in the business for 15 years and has been manager of a southern company in Memphis.

Volunteer State Life Changes

The story in last week's issue concerning the appointment of H. H. Stev-

United Life and Accident Insurance Company

Concord, N. H.

Representatives Have Something Unusual to Sell

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2. Double Indemnity
3. Triple Indemnity
4. Non-cancellable Accident Insurance
5. Waiver of Premium

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Vice President and Agency Manager
Concord, N. H.

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ens of Bristol as Virginia-Tennessee manager of Volunteer State Life and H. N. Hardeman, Houston, as associate general agent there, inadvertently left out the name of the company.

Jacob F. Reiter, who has been with Metropolitan Life in LaPorte and Michigan City, Ind., has become manager of the life insurance department of the D. Sherman Ellison agency in South Bend, representing New England Mutual Life. He succeeds Wade L. Hardy.

C. L. U. to Present S. F. Program

The San Francisco C.L.U. chapter will present the program for the San Francisco General Agents & Managers Association at a luncheon meeting Sept. 25. Speakers, who will discuss the work of the C.L.U. in its relation to recruiting and training, will be: Clifford Henderson, manager Prudential; F. J. Van Stralen, general agent Massachusetts Mutual; Elwood T. Starbuck, general agent Provident Mutual. Nelson Davis, general agent Guardian Life, will preside.

Newspaper Manager Speaks

At the September meeting of the Utah Life Managers in Salt Lake City Mark E. Petersen, general manager of the "Desert News," who was introduced by Virgil H. Smith, vice-president and secretary Beneficial Life, urged the preservation of private enterprise after the war. He paid tribute to life insurance, declaring it "one of the splendid, sound institutions that has helped build America."

J. W. Lawrence, Prudential, stressed the importance of cooperating with the University of Utah in organizing a sizable group for C.L.U. study.

The Kansas City branch of Equitable Society will hold its agency convention at the Muehlebach hotel there, Oct. 12-14.

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Or, you can boost your present income. The Wisconsin National has the policies that will secure increased income for you through new business as well as renewals. Your commissions will be most liberal, supplemented by prompt claim service.

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ASSOCIATIONS

Chicago Regionals To Be Oct. 24-27

The four annual regional meetings of the Chicago Association of Life Underwriters will be held Oct. 24-27. These were started several years ago and have been very successful. Co-chairmen in charge of program and arrangements this year are Robert W. DePau, Jr., Prudential, and Rudy W. Weber, John Hancock. George Huth, Provident Mutual, association vice-president, is general director. The first meeting will be Oct. 24 at the Edgewater Beach hotel, then next day at the Southmoor hotel, Oct. 26, at the Graemere hotel, and the final day at the La Salle hotel.

In addition to Dr. S. S. Huebner of Wharton School and the American College who will speak on the economic outlook and future of life insurance at a joint meeting Friday of the association with the Chicago C.L.U. chapter, a number of important guests are expected to attend. These include Mayor Kelly of Chicago, N. B. Collins, former Illinois state administrator war finance committee; Renslow P. Scherer, state chairman war finance committee; P. B. Gott, Chicago, chairman of awards of the American Trade Association Executives, and president National Confectioners Association; Wesley Hardenbergh, president American Meat Institute; Donald F. Kiesau, executive secretary Chicago Restaurant Association, and P. B. Hobbs, Equitable Society, newly elected secretary National Association of Life Underwriters, who will be introduced and speak briefly.

Congratulations on Award

Mayor Kelly will congratulate the association on its winning the American Trade Association Executives award as the local association contributing most to furthering the war effort. This award was given for outstanding work in the sale of war bonds. The award will be presented in New York City Nov. 9 by Jesse Jones, Secretary of Commerce. The meat and restaurant groups won honorable mention.

The Life Agency Cashiers will meet Sept. 26; the Women's Division Sept. 28; Life Agency Managers of Chicago Oct. 6; Group Supervisors Oct. 9, and the Chicago Life Insurance & Trust Council Oct. 10, in a joint meeting with the Life Agency Cashiers.

N. J. and N. Y. Units Plan Business Insurance Series

NEWARK—The Life Underwriters Association of Northern New Jersey will sponsor a series of four lectures, constituting a "business insurance training course," as follows: Oct. 26, "Sole Proprietorship," H. P. Gravengard, associate editor Diamond Life Bulletins; Nov. 9, "Partnership," Hampton H. Irwin, educational director Massachusetts Mutual Life; Nov. 30, "Closed Corporations," Harry Gray, New York Life, New York City; Dec. 14, "Keyman Insurance," James Elton Bragg, New York City, general agent of Guardian Life.

A forum will follow each lecture the following week, the forums to be broken down into small groups. The forum leaders will include Fred Ditmars, Massachusetts Mutual; Henry A. Feustel, Provident Mutual; Frank A. Williams, New England Mutual; Howard C. Lawrence, Lincoln National Life; Fred Fast, Union Mutual Life; Fred Fern, National Life; William Gilbert, Prudential; Salvatore Scudato, Metropolitan Life, and William Jackson, Equitable Society.

The same program will be conducted by the New York City Life Underwriters Association with the same speakers on the same days as at Newark.

The following will be forum leaders in New York: Harry Boverman, Metro-

politan; D. B. Fluegelman, Northwestern Mutual; Solomon Huber, Home Life; W. H. King, New England Mutual; A. Emil Lawson, Mutual Life; C. Lamont Post, independent; J. A. Silver, Equitable Society; H. N. Sloane, Prudential; E. H. White, Aetna, and S. L. Wolkenberg, Union Central.

Registration for the course closes Oct. 5 and the maximum number attending is limited to 25. It will offer a complete training procedure including reading of text material prior to lecture, attendance at lecture, study of text, completion of written quiz, and attendance at forum for marking quizzes and discussion. All who satisfactorily complete requirements will receive a certificate.

Life Policy Is Ticket to Man's Destination in Life

LINCOLN, NEB.—"Man's future, now more than ever, will depend upon the ability to distribute his income over a long period of years," Lloyd W. Hummel, California-Western State Life, Los Angeles, told the Lincoln Association of Life Underwriters at the first meeting of the year. "One must depend upon even distribution of principal and interest over a lifetime, and the only institution offering that combination is the life insurance annuity plan."

Mr. Hummel, a former Lincoln resident, stopped here en route home from the N.A.L.U. convention in Detroit. He said that "a life insurance policy is a ticket to every person's destination in life, just as you buy a railroad ticket to a specific destination. You should sell your prospect on the idea he can complete all life's plans today and know exactly when he is going to arrive and where in the years to come."

L. Vern Greenwood, Equitable Society, new president, introduced Mrs. Hazel Smith, of the Lincoln school system, who invited insurance men to participate in a series of public speaking classes, stressing salesmanship.

Richmond, Va.—Herbert R. Hill, Life of Virginia; J. C. Bristow, Home of New York, and Sam Perry, Acacia Mutual, who attended the N.A.L.U. convention in Detroit, gave some of their impressions of the meeting. W. R. Gardner, John Hancock Mutual, elected president at the annual meeting last June, presided for the first time.

Big Spring, Tex.—Dalton Mitchell, Great Southern Life, has been chosen president, filling out the unexpired term of Clant E. Higginbotham, who moved to Abilene.

Hartford—As part of its program to aid vital phases of the war effort, the Hartford association has launched a spe-

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Net Issued Business . . . \$10,777,169
Net Gain in Force . . . \$ 7,078,104
Per Cent of Gain . . . 8.60
Gain in Average Size Policy . . \$68.00
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the Records—and Find Out How We Stand.**

THEN ADDRESS

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Guarantee Mutual Life Company
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OMAHA, NEBRASKA

cial campaign to recruit donors for the Hartford blood donor center. Chairman of the recruiting committee is C. Edward Buckland, Jr., Aetna Life.

The association has set Sept. 27 as "Hartford life underwriters' day" at the donor center.

Milwaukee—At the first meeting of the season, Sept. 21, Dr. S. S. Huebner, dean of the American College of Life Underwriters, talked on life insurance, economics and taxes, and told some of his wartime experiences as a consultant in government matters. Following the talk, he installed the new Milwaukee C.L.U. members who recently qualified for the designation.

Central California—Gordon Coryell, president San Francisco association, will address a meeting in Fresno Sept. 29. He has appeared in Fresno previously as chairman of the speakers' committee of the association and a member of the "caravan."

Montreal—J. J. Gormley, assistant manager Metropolitan Life in Toronto, president Canadian association, spoke Sept. 20.

Wichita, Kan.—John P. Williams, educational advisor of the American college, spoke at the opening fall meeting.

Lafayette, Ind.—Clariss Adams, president of Ohio State Life, will speak Sept. 29.

Salt Lake City—The local C.L.U. chapter conducted the first meeting of the season. President F. M. Kelly outlined what the association expects to accomplish between now and next June. J. W. Lawrence, Prudential, president of the chapter, talked on the advantages of the C.L.U. degree, as did C. C. Gullford, Northwestern Mutual, past president. O. L. Richards, Metropolitan, outlined the subjects to be given under the auspices of the extension division of the University of Utah, starting Sept. 26.

Peoria, Ill.—Arthur F. Priebe, C.L.U., associate general agent of the F. A. Schnell agency of Penn Mutual at Rockford, Ill., spoke at the first fall meeting on "Simplified Programming."

C.L.U. diplomas were presented to Cecil J. Bogard, Bankers Life of Iowa, Decatur, and Donald Chidester, Massachusetts Mutual, Galesburg, by Don Murphy, secretary of the Peoria C.L.U. chapter.

Baltimore—R. L. Hyde, Northwestern Mutual, has been elected president; Lewis C. Richards, Jr., Sun Life, is first vice-president, and J. Lacy Bradley, New York Life, second vice-president.

The directors have reelected George S. Robertson as secretary.

San Antonio—Francis J. McCarthy, Jr., social security board, explained the provisions of the social security act. He complimented life insurance men on the service they have rendered in informing the public concerning the benefits of the present law.

He admitted the inadequacy of the benefits and indicated that this is where the life insurance man comes in.

O. P. Schnabel, Jefferson Standard, chairman for the San Antonio session of the tri-cities sales congress, announced that it will be held in February.

United National's Purchase

The United National of Atlanta, Ga., the fraternal, has purchased the Trans-American Life of Tallahassee, Fla.

LEGAL RESERVE FRATERALS

Modern Woodmen State Managers Confer at Head Office

Modern Woodmen's 32 state managers met at Rock Island, Ill., in a two-day sales conference. Directors and head office officials attended.

President E. J. Bullard and W. Cable Jackson, superintendent of agents and director, spoke.

There were a number of panel discussions of important topics, the first being "Finding, Hiring and Training Men" with Clyde Minard, field supervisor, as leader. Other topics and leaders were: "Junior Activities," Vivian Watkins, director of junior activities; "Advertising Helps," "Campaigns," "Cooperation Between Secretaries, Sub-Agents, District Managers and State Managers," Superintendent of Agents Jackson; "Camp Secretaries," M. J. Driggs, chief of the head office special auditing department; "County, State and Head Camps," Secretary J. G. Ray; "Legislation and State Fraternal Congress Meetings," Geo. G. Perrin, general counsel; "Underwriting Problems," Dr. E. A. Anderson, medical director; "Persistence and Solvency," F. J. Gadiant, actuary, and "Certificate Amounts," Lyle Brown, Iowa manager.

A banquet for the state men was held, with Warren D. Benedict, New York City, New York state manager, as toastmaster. W. W. Gordon, Kansas City, Kan.; Henry F. Turner, Paducah, Ky.; Wm. Wiles, Toledo; R. H. Talbot, Lincoln, Neb.; Secretary Ray, President Bullard and Mr. Jackson, all members of the board, gave talks.

South Carolina Congress Is Formed; Newberry President

The South Carolina Fraternal Congress recently was organized with representatives present from Woodmen Circle, Preferred Life Assurance, Junior Order United Mechanics and Woodmen of the World, Omaha, at a meeting in Columbia. Farrar Newberry, Jr., state manager of W. O. W., Omaha, was elected the first president. He presided as chairman of the organization meeting. Sheriff T. A. Heise, Mrs. Lula W. DuBose, state manager of Woodmen Circle, and Maj. G. C. Warren of W.O.W., talked in favor of organizing. A constitution and by-laws were adopted.

Other officers elected are: First vice-president, Mrs. DuBose; second vice-president, Ollie Mefford, Junior Order of United American Mechanics; secretary-treasurer, J. Herman Cook, Preferred Life Assurance. Major Warren spoke on Fraternal Week.

Committee chairmen are: Executive committee, Mr. Newberry, ex-officio; publicity, J. L. Reid, Jr., Junior Order,

Columbia, and Mrs. Evelyn Davis, West Columbia.

The Congress will meet in October at a place and date to be determined by the executive committee to elect officers for the year. Mr. Newberry will represent the congress at the meeting of the National Fraternal Congress in St. Louis Sept. 26-28.

Crabbe to Address Congress

J. R. Crabbe, Ohio superintendent of insurance, will be one of the speakers at the annual meeting of the Ohio Fraternal Congress at Canton Oct. 7.

California Policy Ruling

LOS ANGELES — Domestic fraternal benefits must issue certificates evidencing the contracts for benefits, Attorney General R. W. Kenny ruled in an opinion rendered to Commissioner Garrison. The commissioner had inquired regarding a domestic fraternal which writes life insurance certificates, but also maintains a plan of disability benefits for which it charges a monthly fee to members who belong to the plan, without issuing certificates. The legislative intent that certificates be issued for the accident and sickness benefits as well as for life insurance is clear, the attorney general said.

Ludka Heads Polish Group

MILWAUKEE—John Ludka was elected president of the Polish Association at the convention here. Others elected, all for four-year terms, are: Vice-presidents, John Kielich and Mrs. Leokadia Semrau; secretary Julius P. Michalski, and treasurer, Joseph Kedziorski.

Miss Delia Brinkman, 54, member of the national advisory committee of Woodmen Circle, died at a hospital in Madison, Wis., following a stroke. She was Wisconsin president for two terms, president of the Madison circle, and active in the state congress and the National Fraternal Congress.

Louis J. Kudrna, banker of Wahoo, Neb., and long a fraternal official, died. He became president of the Western Bohemian Catholic Union in 1898 and continued in that office for 23 years. In 1930 his society merged with Catholic Workmen and he became its first president, remaining in office for three years before retiring in 1933.

RECORDS

Penn Mutual—Insurance in force on Sept. 12 reached the highest point in history, the figure being \$2,120,643,241.

Manhattan Life—Closed its club year Aug. 31 with insurance in force of \$124,898,953. This represents an increase in insurance in force for the year of \$13,178,319. New business paid for during the year was \$19,200,531, an increase of 23.6% over the preceding club year.

The James G. Ranni agency of New York City won the Halsey Cup contest for the fifth successive year, with the largest volume of quality business paid in June, July and August. Aubrey E. Green, Westwood, N. J., was presented a cup as the leading general agent in

personal production. Leaders production cups were also awarded to C. H. Flaxbaum of the Frischman agency, New York City, first to qualify for the Manhattan Club; to John S. Le Gath of the Green agency, Westwood, leader in number of lives; Irving Richman, Ranni agency, New York, and Charles Pinkus, Green agency, Westwood, leading in volume of business written.

Herald Square (New York) Branch, New York Life—Of the entire agency force, 62% are club members, and the branch ranks among the first 25 offices of the company nationwide in this respect. In percentage of membership in the top club, premier production club, the agency is second in the city and well up among all other branches. E. H. Kuver is agency director.

C. C. Jones Agency, Buffalo—The C. C. Jones Agency of the Connecticut Mutual at Buffalo, has shown a gain of 12% in paid-for business for 1944 over 1943 as of Sept. 1. Since Mr. Jones took over the agency in 1942 the record shows 30 plus months out of a possible 39 months.

POLICIES

Another Juvenile Policy for Massachusetts Mutual

Massachusetts Mutual has added endowment at 18 to its line of juvenile policies. It is written ages 0 to 8, inclusive, on the participating basis. At an extra premium, provision may be made for waiver of premium at death of payor.

This supplements the company's action a year ago in lowering to one month the minimum age at which the regular line of policies would be issued for children. The new policy is designed principally to provide money for college expenses, and is written on boys and girls one month to eight years, six months of age.

Death benefits are scaled on the commonly accepted basis to reach face amount at age 5. The top age for payor at issue date is 55. Premium rates per \$1,000 with payor clause are:

of	Child Prem.	25	30	35	45	55
0	\$54.40	\$58.97	\$59.26	\$59.70	\$61.91	\$68.70
1	58.17	62.87	63.15	63.59	65.77	72.87
2	62.22	66.97	67.24	67.69	69.80	76.57
3	66.47	71.24	71.51	71.93	73.97	80.53
4	71.24	76.01	76.28	76.67	78.63	84.96
5	76.71	81.47	81.72	82.12	83.98	90.07
6	83.14	87.89	88.13	88.51	90.29	96.14
7	91.00	95.74	95.98	96.35	98.04	103.68
8	100.68	105.42	105.64	106.00	107.61	113.62

Occidental, Cal., Brings Out \$15 Per Month Rider

Occidental Life of California has announced a new \$15 per month family income rider which may be attached to almost all life and endowment policies and to most term plans for durations of 10, 15 or 20 years, and to ages 55, 60 or 65. The premiums for the \$10 per month rider have been revised, showing reductions at ages under 40 and increases at older ages. Premium rate reduction on 20-year juvenile endowment ages 0 to 4 was also announced. The new rate for all five ages is \$44.56 per \$1,000.

The new \$15 per month family income rider will have the same flexibility of application as the other family income riders and, aside from monthly benefits per \$1,000 of insurance in the basic policy to which the rider is attached will be just like the \$10 per month rider. It may be applied to a part of a policy. Thus a \$10,000 policy may have the rider



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attached to one-half of it, providing monthly income of \$75 per month.

National Service Life Details

Complete details regarding National Service Life Insurance are given in the September supplement of the Diamond Life Bulletins' statistical section, including premium rates, surrender values and general information. For further information, write THE NATIONAL UNDERWRITER, 420 East Fourth street, Cincinnati 2.

O K's Bailey Bill by Vote of 11 to 6

(CONTINUED FROM PAGE 1)

tions emanating from the N. A. I. C. he referred to the insurance industry being invited to join in supporting that program and suggested that action on the Bailey bill be deferred until after the Chicago meeting the end of this month.

Telegram From Baldwin

The telegram from Baldwin to members of the Senate committee follows: "For three months the insurance commissioner of all states and leaders of all branches of insurance have devoted hours and hours of time to study and discussion of the situation resulting from the Supreme Court decision. Unanimous decision has been reached with definite recommendations made by state insurance commissioners calling for legislation differing from the Bailey bill, but preserving states rights."

The telegram concluded by urging the judiciary committee to postpone action on the bill until at least "unified recommendations can be heard."

The committee, however, passed over these suggestions. No amendments were offered to the bill in committee, although O'Mahoney has had several amendments pending there since early hearings on the bill last fall or winter. He explained he did not formally offer them Monday because he "did not want to take affirmative action pending the report of the special committee of insurance commissioners" meeting in Chicago later this month. "I want the industry to make its own suggestions," he added.

Urges Continued Study

Regardless of the judiciary committee action, O'Mahoney said he thought "the insurance industry would be short-sighted if it did not continue its study."

The committee's action was preceded by discussion of the situation and problems involved for nearly two hours, in which O'Mahoney urged delay and opportunity for the commissioners to state their case and for consideration of amendments they recommend. He was supported in this stand by Hatch and others.

On the other hand, Danaher, McCarran and others of the majority protested there had been too much delay already; that the bill should go to the Senate where amendments could be considered if desired.

The situation was described by O'Mahoney as follows:

"Prior to the Supreme Court decision there was a different situation from that existing because, now, the court has decided that insurance affects commerce. This decision was made by unanimous vote in the Polish National Alliance case. By vote of 4 to 3, in the Southeastern Underwriters Association case, the court decided that insurance is commerce."

"The three dissenting justices in the latter case declared in their dissenting opinions that there is no distinction between insurance as commerce and many other industries which have been held to be commerce."

"That means that the passage of the Bailey bill says in effect that notwithstanding that the insurance business is commerce, Congress does not want the anti-trust law to apply to it. That, of course, means that the prohibitions of

the anti-trust laws against conspiracy, boycotting, restrictive practices, would be inoperative."

"The insurance industry should not close its eyes to the fact that when the Supreme Court decides, as it has done, that the industry is commerce, Congress can not, by a mere statute, take it out from under the commerce clause. That could be done only by constitutional amendment."

"The result is that every other act of Congress dealing with interstate commerce, like the Robinson-Patman act, which prohibits the seller from paying a fee to a broker, applies to the insurance business. This is the reason why the constructive suggestions of the state commissioners should be used as the basis for legislation."

"Chairman McCarran stated in the committee that no effort will be made to bring the bill up for consideration in the Senate until Congress reassembles in November after the recess. The opportunity is thus presented to the insurance industry to continue its study. Meanwhile, there is no possibility this bill can be passed until after the recess."

Want Outright Exemption

It is reported that several of the Senators supporting the Bailey bill are not in sympathy with the commissioners' official proposal that the federal anti-trust laws be amended so as to permit certain specified operations of a co-operative nature in the field of rate making, etc. These Senators say that such an amendment implies a recognition of a modicum of regulatory power on the part of the federal government and they are opposed to anything less than an exclusive state power as it is possible for Congress to give.

Despite the commissioners' official statement many of the individual commissioners are ardent champions of the Bailey bill as it stands and other commissioners prefer the bill in its present form but felt it would be unwise for the state officials to endorse it as a body.

It is also reported that some of the Senators have expressed interest in why insurance interests are apprehensive about the possibility of the federal trade commission act being applied to insurance operations and have suggested that witnesses be heard from the industry on this point.

Subcommittee Vote 3-2

The Bailey bill was ordered by the judiciary insurance subcommittee sent back to the full committee without amendment last Thursday. The vote was 3 to 2, on motion of Senator Bushfield. Others voting with him were McCarran and Ferguson. O'Mahoney led the opposition and the vote of Hatch, ranking committee member, who was absent, was also cast in the negative, by agreement.

The committee's action was taken after O'Mahoney had submitted the following telegram from Newell R. Johnson of Minnesota, president National Association of Insurance Commissioners:

"Commissioners legislative committee meeting Chicago Sept. 29-30 for the purpose of implementing declaration of principles unanimously adopted at St. Louis by executive committee of National Association of Insurance Commissioners. Anticipate placing before proper congressional committees completed program as soon as possible."

"Hasty action now indicates clearly to me," O'Mahoney said, "that there is grave danger of our giving more consideration to the pending Southeastern Underwriters Association case, in which a few companies are alleged to have engaged in restrictive practices, than to the needs of the far flung insurance business."

Blast at Life Companies

Meanwhile, the Senate committee has in its files the request of Walter G. Peterkin, Amityville, N.Y., for investigation of life insurance companies' rates and practices, in connection with its consideration of the states rights bill. Peterkin, who has been an intervener in

proceedings before the Interstate Commerce Commission involving the Wabash Railway receivership and before the Public Service Commission involving the financing of the Long Island Lighting Co., wrote that there is no regulation of the rates the life insurance companies may charge in any state.

"The unregulated power to use their vast resources of capital in nation wide combinations to finance great corporations, participate in their directorates, and dominate reorganizations is a menace to the public welfare," Peterkin continues. "The reorganization of the Wabash Railway Co. in 1941 and the pending reorganization of the Long Island Lighting Co. provide excellent case studies and supply the answers to many of the questions that gravely concerned the Temporary National Economic Committee. As an unfortunate investor I was forced to intervene in both these proceedings to protect my life savings."

The Peterkin letter went on to say that the Pennsylvania System had paid over \$60 million for a Wabash minority stock interest prior to its bankruptcy and that "although all of this stock was declared worthless, through the help of the life insurance companies by a device without precedent in railroad reorganization" the Pennsylvania was "per-

mitted to secure approximately 100% of the common stock of the new Wabash for \$7 million. Earnings applicable as dividends on this new common stock in the past three years are several times the entire amount of this purchase price," Peterkin added.

"The power of the life insurance companies in politics is shown by the hasty passage of the Coudert-Mitchell bills to bar the use of the courts to small stockholders at the last session of the New York legislature," according to Peterkin's letter, "under pressure from the heads of certain of these companies applied through the New York Chamber of Commerce. This C. of C. appears to have approved the report of its committee that this legislation be asked for on March 2, 1944. Feb. 28, 1944, these bills had already been read twice in the state senate, printed, and ordered to the judiciary committee."

In the Long Island case, Peterkin's brief says that important matters "screened" from scrutiny of interested parties included an "off the record" agreement with the life insurance companies restricting the management.

By taking the entire recent Long Island bond issue, the brief says, the life companies "appear to have relieved the company from the necessity of filing

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National Life & Accident Home Office, Field Changes



S. G. GLOVER



L. D. CARTER



FRED KOEHLER

S. G. Glover, Wichita manager of National Life & Accident, has been transferred to the home office and will manage the Kentucky, Illinois, Indiana and

Nebraska and Kansas territory. He is succeeded at Wichita, by L. D. Carter, former assistant manager there. Fred Koehler, who has been supervising the

territory Mr. Glover will take over, returns to the field at his own request and will become manager of a new district to be established in Chicago.

a registry statement with SEC showing its true financial condition."

On Tuesday McCarran was working on the report of the judiciary committee on the Walter-Hancock House-passed states rights insurance bill, recommended by his committee in lieu of the identical Bailey bill, for reasons of parliamentary advantage. He said he would confer with minority committee members about their report, but could not promise to hold up the majority report until the minority was ready.

In voting to report the insurance bill members of the judiciary committee had before them a letter from Commissioner Harrington of Massachusetts, suggesting a conference with the judiciary committee after the late September meeting of the N.A.I.C. committee with industry representatives in Chicago. However, the committee chose to disregard the suggestion.

Commissioner Harrington wrote to various senators. His letter to O'Mahoney, typical of that to others, and which was accompanied by the N.A.I.C. recommendations, follows:

"After conference with President Johnson of the National Association of Insurance Commissioners, it was thought desirable to present to the individual members of the judiciary committee the program unanimously adopted by executive committee of the National Association of Insurance Commissioners. The program purports to retain regulations of the insurance business by the states in the interest of the public, and it is hoped will be acceptable to the members of Congress who are interested in proper regulation of this business.

"Our committee of commissioners will meet on the 29th of September in Chicago with representatives of the insurance industry for the purpose of implementing this program by more specific recommendations. You will observe that the program purports to deal with a multiplicity of problems confronting supervisors of the business as well as the problems which confront the life, fire, casualty, marine, mutual and stock branches of the business.

"We anticipate that we will be afforded the privilege of a conference with your committee or a properly designated group of your colleagues as soon as possible after the completion of our program, and before definite action is taken on legislation dealing with this subject."

The committee had before it three amendments which O'Mahoney had served notice last December he "intended" to propose to the bill although he did not formally offer them at the committee meeting which voted out the bill.

His amendments, which may emerge in the Senate floor fight on the bill, would make it unlawful for any person, concern or association in the insurance business in more than one state to use the mails or vehicles of interstate commerce for transmitting any rate, rule, regulation, form or communication, discriminating against anybody lawfully engaged in the insurance business in any state, charge any rate, fee or premium for insuring property held in common ownership in more than one state by any concern doing business in interstate commerce, unless such rate, fee or premium has been approved by public authority having supervision over insurance within each state in which such property is located.

That the state's rights bill "utterly fails to meet the issues projected by the decision of the Supreme Court in the S. E. U. A. case" is declared in the minority report presented by O'Mahoney.

"It does not end and can not afford the industry the constructive solution of its current problems which are now so sorely needed," the report says.

The bill would permit conspiracy to commit "abusive practices," according to the minority. The Supreme Court always upheld state insurance laws.

The bill is declared unnecessary to preserve state regulation. The report accounts for "tremendous pressure" behind the bill as due to activities of defendants in the S. E. U. A. case of seeking to "head off the prosecution."

The issue is declared not to be state power to regulate insurance "but the power which certain insurance companies have seized to drive out competition by monopolistic practices."

Paul D. Fassoth, 43, of the Murrell Bros. agency of Mutual Benefit Life, one of the leading pension trust insurance men in Los Angeles, died there after a short illness. He was born in Hawaii, was educated at Stanford University, and was engaged in research and sales work with the Roth Federal Research Service and California Packing Co. before entering life insurance with Murrell Bros. in 1941. He was a qualifying member of the Million Dollar Round Table and had planned to attend the meeting in Detroit last week but had to cancel his reservations at the last minute because of illness.

W. T. Earls general agency of Connecticut Mutual Life in Cincinnati was first among the company's 70 agencies for sales in August.

Might Need Federal Bureau to Define Term "Reasonable"

NEW YORK—The necessity for some sort of federal super-rating bureau is seen by some insurance executives if that section of the National Association of Insurance Commissioners' proposal is enacted into law which states that there would be excluded from the federal anti-trust laws "all reasonable co-operative procedures necessary and incidental to the establishment of statistics, rating bases, rates, coverages, and related matters."

The point is made that somebody will have to say what is "reasonable," and if there is no federal rating bureau to pass on the reasonableness of conservative procedure, that state or regional rating organizations would be constantly subject to litigation initiated by the Justice Department or others seeking to show that the cooperative procedures were not "reasonable."

Offhand it might appear that even a federal super-rating bureau's decisions might not be a guarantee of immunity from attacks by the justice department, in view of the latter's recent action against the railroads, which operate under Interstate Commerce Commission jurisdiction. However, if such a federal rating bureau were given the power by Congress to determine what cooperative procedures were to be considered "reasonable" it is said there would be no trouble from the justice department. The permission granted for cooperative procedures would go beyond anything that is allowed the railroads under the Interstate Commerce Commission act.

Agents Honor McNamara

Paul McNamara, executive vice-president North American Life, Chicago, is honored by the agency force each August. This August production gained 16% over August a year ago and better than 40% over August, 1942. For 13 consecutive months production has increased over the corresponding months of the previous year and in the first eight months of 1944 26% over that period last year. A special drive in honor of President E. S. Ashbrook will be conducted in October. His birthday is Oct. 12. He has served the company for 35 years and the campaign is being built around that fact.

PLAN FOR PEACE-TIME

Everywhere men still gravely aware of wars demands, are, nevertheless, turning their minds to plans for peace-time. Never before have the economic principles of life insurance been fortified with such acute public awareness of the need of planning.

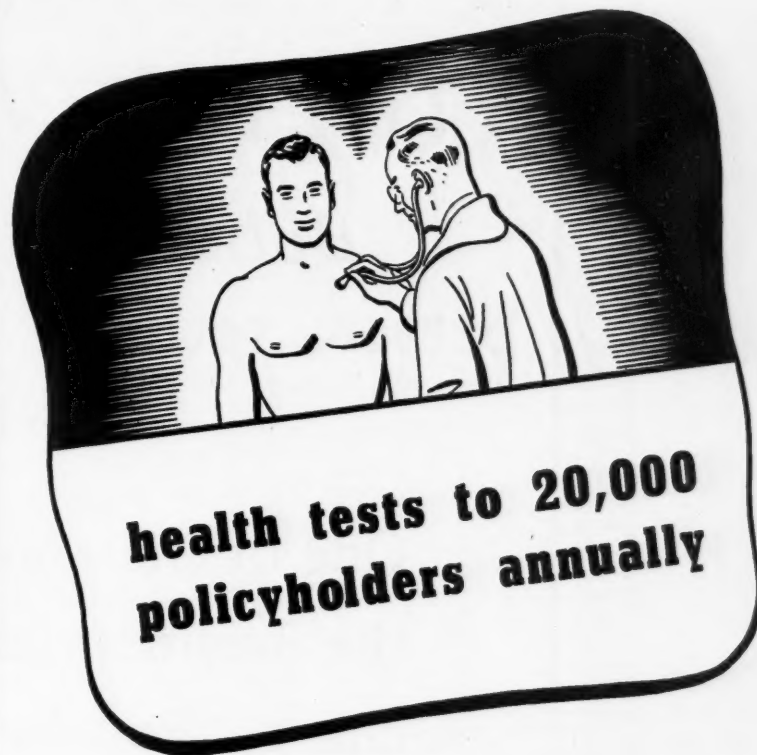
Fidelity agents with a complete kit of sales tools are well equipped to capitalize this public acceptance. Just recently they gained a new approach to post-war and life-time planning in Fidelity's non-medical for juveniles — full insurance down to age 5, payor benefits to age 15. Issue age for graded benefits, 0 to age 4.

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Union Central takes active interest in
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TO THE NAVY

Raked with broadsides from 18 pounders; a steady hail of round shot and grape making decks a shambles of splintered timbers; rigging, spars, top sails and mizzen mast gone; hold rapidly filling with water; most of her men dead or dying, the old Bon Homme Richard, under the command of Commodore John Paul Jones, was sinking that September night in 1779, torn to pieces by the onslaught of the British ship-of-war, Serapis—sinking but not lost for Commodore Jones refused to surrender, crying out when challenged, "I have just begun to fight." Day came, the Bon Homme Richard slid beneath the waves, but the Serapis was a captive of the Americans and carried them into port.

Early in 1942, beaten by mountainous waves, a tiny naval craft, a P-C boat, anchored fore and aft, was fighting out a storm in the Bering Sea. An anchor fouled and had to be chopped away. Battered this way and that, the little boat was being torn to pieces when a liberty ship reached her with life lines. A hauser broke! She swung free, then crashed into the prow of her rescuer. The great hole torn in her side made abandonment imperative, but those lads in blue held on. The next day, the little P-C, with the jagged hole stuffed with a mattress, sailed into Dutch Harbor for repairs.

Here's to the boys in navy blue! They ride out their storms, be they wind or battle, and we are proud to be giving them our finest protection—on the home front as well as the battle front.

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